

The Financial Times

MONTREAL

CANADA

TORONTO

VOLUME 17, NO. 7.

MONTREAL, FRIDAY, JULY 15TH, 1927

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At the Lookout

FREEING CANADA BUSINESS FROM U.S. INFLUENCES

Present Trend in Neighboring Country Not Deciding Factor Here

EMPLOYMENT HIGH

Industry Busy and Shows Marked Contrast to Recent Trend in United States—Construction is Very Active

That there is now some reduction going on in the general volume of business in the United States, reversing the process of expansion which has continued unbroken for such an amazing length of time, is made clear by practically all the available statistics for the month of June. The change has had its effect in the money market and the securities market; and that effect has been felt as usual in the corresponding markets in Canada.

It is, however, interesting to examine the list of reasons advanced for the curtailment of business (or, as some prefer to put it, the stoppage of expansion) in the United States, and to find that not one of them is a matter which can in any conceivable circumstances be supposed to have any direct effect upon business in Canada. The first show of resistance to the ever onward-moving wave of prosperity is generally supposed to have been the heavy reduction in raw cotton prices last autumn, due to general over-production. The Mississippi flood disaster by its widespread destruction of property and credit undoubtedly effected a serious further reduction in the consuming power of a large part of the Southern States. These two causes are fundamental in character, and both of them are due to nature more than to any human factor. The situation in the automobile industry may be regarded either as a cause or as a symptom of the general recessive movement; but insofar as it is a result of excessive production and excessive high pressure salesmanship during the previous year or two it is not difficult to believe that a considerable curtailment would have been necessary even if there had been no other causes operating to produce general business reaction. If the credit organization of Canada were not so closely associated with that of the United States, there is not the slightest reason why any one of these phenomena or all three together should exert any influence on Canadian business. Canada does not sell anything to speak of to the Southern States, nor anything except perhaps a small amount of nickel to the American automobile industry. A general business recession in the United States, if it extends far enough, may somewhat reduce the demand for Canadian pulp and newsprint; but there has as yet been no indication of such reduction.

It does not seem to be suggested by any of the economic experts that international factors are of any serious importance in the present situation in the United States. Apparently what has happened is simply that domestic consumption, stimulated to an extraordinary degree

(Continued on Page 6)

Bonds of the Highest Grade

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A BUMPER CROP STILL IN PROSPECT ON THE PRAIRIES

Good General Growth Reported From Practically All Parts

STORMS WERE LOCAL

More Important is That Spring Delay is Being Made Up and No Serious Blights are Reported.

Winnipeg Bureau The Financial Times.

Winnipeg.—Recent developments have not altered the general outlook for a good crop, with bumper yields in large districts, despite violent storms which have wrought destruction in limited areas. The Government crop forecast indicates a wheat yield equal to last year, despite a somewhat smaller acreage, and a continuance of favorable weather should improve the situation in favor of 1927. The late spring has been largely overtaken, and the danger from early fall frosts is being reduced. Coarse grains are growing well and fodder crops are heavy. Altogether, the Prairie prospects are highly satisfactory.

Frequent rains and continuous warm weather are bringing the grain along with unusual speed in all parts of the west, and the thrill of expectancy for a big crop is already beginning to seize the prairie farmers and merchants. The growth in fact, has been almost too rapid with the result that a lush condition is reported in numerous areas. Steady warm weather, periodic showers, and cool nights for the next six weeks will go a long way toward bringing the 1927 crop into the bumper class.

Up to the present there has been no drought, and rust has not appeared, although the fields in all parts of the west have been carefully checked up for evidences of it. Cutworms and wireworms have been even less active than normally. Grasshoppers have not been seen. Apart from the delayed seeding operations the west appears to have no real grievance with the crop year thus far.

Even the lateness of the season, due to the delayed seeding, has been largely overcome as a result of the almost ideal growing conditions which have prevailed since June the first. It is authoritatively predicted now that if the present favorable conditions continue the lateness of the season and the consequent dangers of frost will be overcome in the next two or three weeks.

False Reports of Rust.

Probably with a view to influencing the market reports of rust in western Canada have been published in Chicago. The stories, however, have no basis in fact, but color has been lent to them because of

(Continued on Page 16.)

Stock Exchange News Brings to Montreal A New Mystery Mine

How the Come-On Game is Played

(A paragraph from the Stock Exchange News campaign to market a new Canadian "Mystery Stock.")

"Those who profited by our advice on Nickel can go still further in the right direction by investing their proceeds in the gold mining stock which this newspaper is at present recommending. The same keen foresight which saw first the rise, and then the fall of International Nickel, foresees now a brilliant future for this particular gold stock."

Montreal Publication Distributing Kirkland Gold Belt to U. S. Investors

EXTRAVAGANT CLAIMS

Huge Expense Involved in Campaign to Sell Security—Investors Should Be Warned by Record of Stocks Similarly Sponsored

The most recent development in the aggressive campaign which has been conducted during recent months by mining promoters, operating in conjunction with tipping sheets, to distribute doubtful mining stocks among the public is the sponsoring of a Mystery Mining Stock by a so-called international financial journal, published in Montreal under the name of the Stock Exchange News, which has, according to information, been circulated free by the thousands throughout every section of the United States during the past few months since its incorporation here. This journal has not been circulated in the Dominion to any extent; on the contrary, release of the publication here has been studiously avoided, so that Canadian investors are not affected. Nevertheless, it seems unfortunate that Montreal should be the stamping-ground of another Financialist Debater or Wall Street Iconoclast, two publications which have been operating along the same lines as the Stock Exchange News in Boston and New York for some time now, the owners of which have been indicted on several counts in United States courts.

Stock-Jobbing Methods.

Since its inception in Montreal, the journal has pursued an insidious policy leading up to its ultimate aim of distributing over a vast area the securities of the "mine" which it is

(Continued on Page 5)

Should Exchange Have Listed Mystery Stock?

The operations of Stock Exchange News in distributing the shares of Kirkland Gold Belt are being facilitated by listing on the Montreal Mining Exchange.

To an enquiry made by The Financial Times subsequent to the announcement of the name of Kirkland Gold Belt as the mystery stock referred to, an official of the Mining Exchange stated that the listing papers for the stock were in order, and that, although disapproving of the methods used to distribute the shares, the Exchange did not see its way clear to reverse their decision to accept the stock for trading.

In this connection it might be pointed out that when Financialist Debater of Boston made application for listing of Victory Mines, the "mystery stock" sponsored by it, on the Toronto Standard Exchange, it was thrown out because of the distributing methods which had been used.

St. Lawrence Project May Prove More Attractive to Dunning

Ottawa.—The Carillon power question in which there has been no development since Parliament closed is not likely to become a live issue again until fall, and then, it is a question if the Government will go further with the idea of developing power in the face of the opposition of both Ontario and Quebec. It will still be possible to grant a lease to a private company without special legislation, but parliamentary sanction would be necessary to inaugurate a policy of state ownership.

Political gossip is that Hon. C. A. Dunning, who is the aggressive promoter of the state ownership plan, has been impressed with the political difficulties created by the position of the provinces. Besides, it

is said that Mr. Dunning, who has found his railway portfolio a disappointment as regards opportunities for creating work, is now more impressed with the St. Lawrence development as something big, to satisfy his ambition and strengthen his political position in the West.

It seems altogether likely that before the next election in the United States overtures will be made at Ottawa in connection with the St. Lawrence project. Dunning and Robb are spoken of as the team who could promote a project that Robb would be able to make a bargain as Minister of Finance for tariff concessions in exchange for advantages to the United States in connection with the St. Lawrence development.

SOUND EXPANSION FOR CHAIN STORES

Three Leaders All Show Steady Gain in Sales and Earnings

Toronto Bureau The Financial Times.

Toronto.—Canadian food chain stores have shown rapid expansion in the volume of sales and profits during the past three years. Three of the leading grocery chains have issued reports for the last fiscal year and important features of the balance sheets compared with previous years are given in the following table. Since the year ended May 31st 1925, Loblaw Groceries increased net profits by 130%. Since 1924 Dominion Stores Ltd. showed a gain in net profits of 120%, while during the same period Pure Food Stores showed an increase of 73%.

That the scope for expansion of these organizations in Canada is still great is indicated by the addition of further units this year. Dominion Stores Ltd. closed 1926 with 423 units, whereas at the end of June last there were 485 stores in operation. Opening of new stores continues and it is expected that by the end of 1927 the company will have over 500 operating. Loblaw announces that five additional stores will be opened shortly, bringing the total to 54, while

(Continued on Page 16.)

SHAREHOLDERS OF BESCO NOW LOOK TO ROYAL TRUST

Hope That Reorganization May Preserve the Enterprise

NEW CAPITAL NEEDED

Constructive Plan Would No Doubt Encourage Government to Carry Out the Duncan Report.

Special Correspondence.

Halifax.—The developments of the week, including the defeat of the reorganization plan of the directors of the British Empire Steel Corporation and the granting of an order by the court for a winding-up of the Dominion Steel Corporation, have had the effect of clearing the air in connection with the affairs of Nova Scotia's great basic industry, and have undoubtedly created new hope that the only self-contained steel industry within the British Empire may be continued as an operating unit. The basic change which has been brought about is that the shareholders are now looking to the Royal Trust Company, as liquidator representing their interests, to bring in a constructive plan of reorganization. That such a plan will include anything material for the common shareholders of Besco is almost too much to hope for. It should, however, establish the interests of the first and second preferred shareholders in the various properties. It should decide what properties, if any, should be disposed of to meet the present situation, and set a value on these various properties. It should bring forth a plan looking to the raising of new capital and a reorganization of management, if necessary, in the interests of the shareholders.

The chief hope of the people of the Maritimes looking to the future of the great steel and coal industry lies in a confident feeling that the way may be paved to a reorganization which will make it possible economically, and advisable politically, for the Dominion Government to carry out the proposals for increased tariff protection or subsidies, or both, made in the report of the Duncan Commission. These recommendations are practically the only proposals in the report which the government has not so far shown a readiness to bring into effect, at least in part.

The realization is growing that as the result of the contest between the directors of Besco and the National Trust Company, representing a large block of stock as receiver for Dominion Iron & Steel, the position of the Besco shareholders has not materially changed, but that they are now looking to the Royal Trust Company, appointed by the courts, to bring forward the best possible plan in the interests of the whole enterprise. It is pointed out that a shareholders' liquidation, rather than being destructive, has real possibilities for constructive action. It is being quoted that experience in England has led to the coining of the phrase, "liquidation is the hand-maiden of reconstruction."

Canada Cement Buys Gypsum Properties in N.S.

Saint John.—It is announced that six valuable gypsum properties on the north side of Antigonish Harbor, N.S., have been bought outright by the Canada Cement Company, these being the sites secured by option, last fall, by H. B. McCurdy, Sydney, who has sold his interests to the Canada Cement Company. The area transferred consists of some 12,000 acres with a harbor frontage of some two miles. Other sites nearby were also acquired by the company, and other options are being held. The operating plant to be installed includes some two miles of railway, a crushing plant, a pier and a Diesel plant. Important developments in the gypsum industry are expected to follow.

Recapitalization Plan For Pure Food Stores

Toronto Bureau The Financial Times.

Toronto.—The Financial Times understands that the management of Pure Food Stores, Ltd., have under advisement a scheme for capital readjustment that will be beneficial to common shareholders. While it may be some time before the plan becomes effective, the company has reached a stage of development now where it can look forward to retirement of its preferred stock.

It is understood that the plan calls for increase in the common stock, and that rights will be given to shareholders which would come in the form of a stock dividend, equal to about \$1.50 per share.

NEWSPRINT GROUP AGAIN IN FAVOR

Market Action of Leading Issues Indicates Improved Sentiment

The newprint issues reflected the strong technical position of the group by exhibiting in the course of the indefinite market of the past week an almost general price improvement. Brompton, both Spanish issues, Abilith, Waynagmack and Laurentide, all scoring gains of a point or more.

The wise element in the market has been for some time preparing for a movement in the papers, as despite the inauspicious conditions current in the industry, it has been becoming more and more apparent that there is little fear of reduced capacity—and consequent cut in earnings—having any bearing on the dividend policy of the established producers.

Apart altogether from the long term outlook for Canadian newprint companies, which makes the majority of the securities seem cheap at current levels, almost all of the group show yields which lend attraction to the stock from an investment point of view, all of them offering a return of over 5 per cent, with Laurentide yielding 6.4 per cent, and Spanish 7 per cent.

(Continued on Page 16.)

Dominion and Provincial Government Bonds

Municipal Bonds

Public Utility and Industrial Financing

Foreign Issues quoted

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Growing Appreciation Stock Split Benefits

Around the local Street there are a great many more people in favor of high priced stocks being split up than there were a few months ago. The reason of the change is that so many who were carrying this class of security saw how quickly the prices faded away when the market had a setback a few weeks ago.

On the other hand, the stocks that had been previously split-up, in practically every case, seemed able to take care of themselves in a much more satisfactory manner. On this account it is likely that many requests will again be made to the controlling interests in Consolidated Smelters, as well as Dominion Bridge, to have them consider a plan for breaking up the shares into lower priced issues, rather than leave them subject to the quick falling off in values which occurs whenever the market has a pronounced reaction.

The Greenshields Analysis

The 11th edition of our Analysis of Canadian Stock is now ready, revised to June, 1927.

It gives 14 important facts on over 100 leading Canadian Preferred and Common Stocks including such important data as, Capitalization, Working Capital, Earning Power, Dividend Record, and High and Low Prices over a period of years.

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INVESTMENTS

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Bell Telephone Co. of Canada	5%	102.50	4.85%
Canada Northern Power Corp. Ltd.	6 1/2%	103.50	6.18%
Canadian Pacific Railway	4 1/2%	96.00	4.85%
East Kootenay Power Co., Ltd.	7%	105.00	6.46%
Gatineau Power Company	5%	97.25	5.15%
Manitoba Power Company, Ltd.	5%	100.00	5.50%
Montreal Island Power Company	5 1/2%	101.00	5.43%
(Carrying warrants to purchase 2 shares Common with each \$1,000 bond)			
Montreal Tramways Company, Ltd.	5%	99.75	5.02%
Montreal Tramways Company, Ltd.	5%	96.25	5.25%
Montreal Light, Heat & Power	5%	100.50	4.95%
Northern Canada Power, Ltd.	6%	102.75	5.75%
Northwestern Utilities, Ltd.	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd.	6%	105.00	5.60%
Ottawa River Power Co., Ltd.	6 1/2%	104.00	6.20%
Southern Canada Power Co., Ltd.	5%	99.50	5.05%
Winnipeg Electric Co., Ltd.	6%	101.00	5.90%
Winnipeg Electric Co., Ltd.	5%	100.00	5.00%
Industrial			
Aluminum Company of America	5%	100.00	5.00%
Canada Paper Company	6%	101.00	5.90%
Canada Steamship Lines	5%	100.25	5.50%
Canada Steamship Lines	5%	99.00	6.15%
St. Lawrence Paper Mills, Ltd.	6%	99.00	6.10%
St. Lawrence Paper Mills, Ltd.	6 1/2%	101.50	6.26%
(Cum. warrants)			
Windsor Hotel Company	6 1/2%	405.50	5.95%
Preferred Stocks			
Eastern Dairies, Ltd.	7%	99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd.	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd.	7%	100.00	7.00%
Power Corporation of Canada, Ltd.	6%	96.50	6.22%

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CANADA IS NOT LAGGING BEHIND IN CIVIL AVIATION

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MANY MORE FLIGHTS

Increase For the Year Was Fifty Per Cent.—No Fatal Accidents in 1925, and Only Two People Killed in 1926

Ottawa Bureau The Financial Times, Ottawa.—In view of the attention being given to aviation in consequence of the spectacular achievements of American airmen, a report just issued by the Department of National Defence recording the advancement in civil aviation in Canada during the last year is especially timely. Unfortunately, however, it is likely to receive little notice from a public absorbed in successive transatlantic flights, although it is a story of splendid accomplishments. The report would seem to bear out the claim of Canadian airmen that Canada is doing at least as much as any other country in the practical employment of aviation. Steady advancement is being made year by year and the authorities now feel able to declare that in such work as surveying, mapping, forest protection and transportation in remote districts flying is definitely established.

During 1926 the number of flights made in commercial flying and provincial operations, apart altogether from the work of the Royal Canadian Air Force, was 3,171, an increase of 50 per cent. over the previous year, while the number of hours flown was 5,860, an advance of 43 per cent. The number of passengers carried was 6,436 as against 4,897 in 1925. The number of passenger miles flown was 631,715 compared with 446,648 the previous year while freight traffic increased from 592,220 to 724,721 pounds. The flying authorities interpret these advances as indicating the development of confidence on the part of the public in the practicability and safety of flying. In the matter of safety there would seem to be some ground for the claim of aviators that flying is a secure means of travel in view of the record of Canada in the last two years. In 1925 there wasn't a single fatal accident, while in 1926 only two persons were killed by accidents, one a pilot and the other a passenger.

Postponing the establishment of regular air transportation routes until such time as public demand should warrant them, those engaged in the promotion of aviation in Canada have been devoting it mainly to work in connection with the conservation and development of the natural resources in the remoter parts of the country. Now, the use of aviation in forest conservation, survey and reconnaissance, and in transportation in the hinterlands, is well established. Since 1920, 125,000 square miles of forest land has been mapped by the aerial method and 165,000,000 acres of forest in Ontario, Manitoba and Alberta are now under fire protection by air. Last year 70,000 square miles was photographed and aerial photography is regarded as essential in mapping.

Canada Is Not Lagging. Commercial aviation in Canada is much more extensive than is generally realized. Fourteen firms are engaged in it. It is claimed that last year Canada had the only self-sustaining air transport routes in the British Empire, those from Halifax-Bury to Rouyn and from Sioux Lookout to Red Lake.

The aviation authorities of Canada regard 1926 as marking the close of a distinct phase of flying in the Dominion and feel that the forest, survey and mining services may now be left to grow naturally. They evidently anticipate entering upon the larger field of the regular transportation business such as is in operation in other countries. "There is no reason," says the report, "to suppose that in our Canada will lag behind other nations and that the establishment of through routes of travel and communication by air will not follow." The recent reorganization of the air branch of his department by Hon. A. L. Ralston, Minister of National Defence, may be taken as presaging bigger things in Canadian flying.

An illustration of the usefulness of aviation to Canada is given in the departure of the expedition that is to gather information on ice conditions in Hudson's Strait. This expedition, consisting of six modern flying machines, is to spend eighteen months on the strait, operating from three bases, and its observations will determine the possibilities of the Hudson's Bay route between the Northwest and Europe.

HIGHER EARNINGS DULUTH SUPERIOR

Net Profit Shown in May as Against Deficit Last Year

Toronto.—Gross earnings of Duluth-Superior Traction Company during June totalled \$139,704, as compared with \$135,089 in June, 1926, an increase of \$4,615 or 3.4%. For the first half of 1927 gross receipts were \$969,027 as compared with \$919,788, or an increase of \$49,239, or 5.4%.

Net profits available for the common stock in May amounted to \$7,689, as against a deficit of \$657 for May, 1926. For five months ended May 31st net available for the common stock was \$81,672, as compared with \$30,742, an increase of 165%. These gratifying results accrue from the increase in fares inaugurated October 15th, 1926. Profits for the five months were equal to 2.34% on the \$3,500,000 common stock outstanding, or at the rate of 5.61% per annum. One per cent. was recently de-

clared on the common stock and at least 1% more may be expected in 1927. If earnings are maintained it is reasonable to expect that 4% will be paid in 1928. On a basis of 2% per annum, the yield at the present price of 25 is 8%.

PROFITS GAIN FOR N. MEXICO POWER

Net Earnings For May Show Increase of 33.26 Per Cent.

The official earnings statement for May of Northern Mexico Power and Development Company shows very substantial increases both in gross and net. The fact that gross increased by 24.71 per cent. and net increased by 33.26 per cent. indicates a favorable trend in operating expenses. Results for the five months ended May 31st show that about the same increases have been maintained throughout the period. Results are all the more remarkable in view of the fact that the growth in earnings in 1926 over 1925 was equally great. Comparisons:

For May	1926	1927	Inc.
Gross	\$105,740	\$131,870	\$ 26,129
Net	84,051	112,006	27,955
For 5 mos.	\$508,869	\$641,960	\$133,111
Gross	\$408,025	\$40,619	132,594
Net			

In 1926 Northern Mexico Power earned \$4.60 per share on its common stock, after allowing \$49,049 reserve for investments. During the first five months of 1927 net earnings are up 32.49%. Provided this ratio of increase continues throughout the year, the company would show approximately \$6 per share earned, after allowing for the same charges against profits as last year. The company recently placed the common stock on a dividend basis of \$4 per share. The stock is quoted at 70 bid, at which price the yield is 5.26%.

CONTINUED GAIN TWIN CITY NET

Earnings on Common For First Five Months at Rate of 6.57 p.c.

Toronto.—Net earnings available for the common stock, after all charges, including depreciation, taxes and preferred dividends, of Twin City Rapid Transit Co. for the first five months of 1927 amounted to \$603,630, as compared with \$546,185 during the corresponding period in 1926 and \$469,486 in 1925. The increase for the five months was 10.4%.

On the \$22,000,000 common stock outstanding, this is equal to 2.74% or at the rate of 6.57% per annum. At the current price of 51, the stock, which pays 4% per annum, yields almost 8%.

EARNINGS GAIN FOR JAMAICA P. SERVICE

A maintenance of improved earnings, both gross and net, as revealed in the earnings statement of Jamaica Public Service Company, Ltd., for the month of May and for the 5 months of 1927 to date. A feature of the figures for May is the fact that net earnings show a larger increase than gross, while surplus after charges registers a still heavier gain, thus indicating a reduction in operating expenses and in charges.

Following are the comparative figures for the month of May and the twelve months ending May 31, 1927, as against the corresponding periods of 1926:			
1927	1926	Inc.	
May—			
Gross earn.	\$ 55,691	\$53,514	\$2,177
Net earn.	23,316	20,198	3,118
Surp. after charges	17,158	13,926	3,232
12 Mos. ending			
May 31—			
Gross earn.	\$672,261	\$638,777	\$33,484

Public Utility Industry Shows Outstanding Record of Growth

In an introduction to its annual Public Utility issue, the Magazine of Wall Street stresses the outstanding importance of this basic industry to the social as well as the business and commercial life of the country, and draws attention to the growing popularity among the investing public of the securities of representative corporations.

As the same remarks apply, with greater emphasis even, in the Dominion which takes pride of place as being the leader in per capita power output and consumption, reproduction of the remarks of this financial journal, made herewith, is pertinent: "With an exceptionally fine record in 1926 to match, the public utility industries this year have shown definitely that the public may expect of them continued growth and prosperity from year to year. Gains made in 1926 have been consolidated and the outlook never more satisfactory.

New Stock Market Peak. "To indicate the exceptionally sound position reached by the industry as a whole, it is necessary to cite only a few figures. For example, as revealed by The Magazine of Wall Street's Common Stock Index, the average price of listed public utility stocks has advanced to a new peak of 110 as against a low last year of 82. Public Utility financing has reached a point of great stability in that the public has become thoroughly "sold" on the industry and has confidence in its securities. The result is that the

WATER PLANT GOES BACK TO COMPANY

But Montreal City Council May Start Proceedings to Expropriate

Agreeing that the Superior Court injunction granted the Montreal Board of Trade having placed the city in an impasse, further court proceedings might drag three or four years, the City Council voted 28-4 to return to the Montreal Water and Power Company the aqueduct purchased February 14 for \$14,000,000. But Ald. Brodeur at once gave notice of motion that, in fifteen days, he will move reconsideration and abrogation of all resolutions relating to the purchase, which were adopted between February 12 and April 12. And that, many aldermen declare, clears the way for expropriation of the water plant under provisions of the city charter. Action was taken on this motion:

"Whereas by the writ of injunction which has been issued by the Superior Court, the City is enjoined not to pay the purchase price of the property of the Montreal Water & Power Company, not to have the price thereof determined by arbitration, as provided by article 4, of the Act, Geo. V., chapter 109, section 9; "Whereas, under the circumstances, the City cannot make any connections between two water-works systems, so as to give a better service to the wards supplied with water by the Montreal Water & Power Company and to also reduce the operating costs; "Whereas the City cannot, while the legal proceedings are pending, remove the intake of the Montreal Water & Power Company in order to enable it to lay, at the site thereof, the outlet of the trunk sewer which is now under construction, which would permit of the cost of such sewer being reduced by a sum of \$600,000;

"Whereas the City cannot, while the legal proceedings are pending, pump the water by only one pumping station—that belonging to the City—and cannot close the company's pumping station, which would permit of a considerable saving being effected;

"Whereas the City cannot take upon itself to collect a uniform rate of 6 per cent. for the supply of water to the wards served by the Montreal Water and Power Co., whose rates vary up to 8 per cent. without exposing itself to become accountable to the Montreal Water & Power Company for the difference between the amount which would be collected by the City and the amount which would have been collected by the Montreal Water & Power Company and to be compelled to pay such difference to the company, probably with interest;

"Whereas, by reason of the pending legal proceedings and of the injunction which has been issued, there may exist doubts as to the City's right to the ownership of the Montreal Water & Power Company's property;

"Whereas such right to the ownership of the Montreal Water & Power Company's property, in view of the dilatory proceedings and of the appeals, from court to court, from the judgments which might be rendered could be determined only after long delays, and it would be unwise for the City of Montreal to continue to administer such property or to assume any responsibility therefor;

"That the City accede to the request of the Montreal Water & Power Company, as contained in its letter of the 23rd June, 1927, and convey to the said company all the movable and immovable property acquired by the City, and that the report of the Executive Committee, now before the Council, be adopted."

RATIFY QUEBEC SPLIT.

Quebec.—At a meeting of shareholders of the Quebec Power Company, held at the company's head office here, the bylaw adopted on June 2 last, whereby the common stock of the company is to be "split" into shares of no par value, was ratified.

No other business was laid before the meeting. Those present included Julian Smith, Senator J. P. B. Casgrain, Dr. Milton Horsey, C. H. Brandaud, C. E. Taschergau, J. H. Fortier and P. J. Paradis.

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water power facilities has increased and will increase further. "From the financial end, the only major criticism, as heretofore, is generated by the rather excessive pyramiding of holding company control but this is an exceptional condition, viewing the matter broadly. As a rule, financing of the utilities, especially during the present year, has been along sane and conservative lines.

"The public realizes the debt it owes to the untiring and efficient officials and employees of representative utility systems. From the social as well as the financial viewpoint present business is entirely dependent on the further progress of the utilities. Hence, continued investment of capital in this group of essential industries remains a prime requisite if future economic growth of the nation is to be assured."

DULLNESS OF THE SUMMER SEASON HITS BOND MARKET

Few New Issues Have Appeared In Several Recent Weeks

PLENTY OF FUNDS

But Lack of Investment Interest in Evidence — Price Recessions Have Not Been Material Nor Significant

Toronto Bureau The Financial Times Toronto. — The bond market continues to show signs of the mid-summer inactivity which, although expected in the "dog days" frequently does not materialize until August. This year the dullness is not necessarily due to shortage of investment funds, but is attributed to some extent to the few new issues that have appeared during the last several weeks, and to the fact that the issues brought out earlier in the year were quickly distributed and did not remain in the hands of the dealers.

The investment barometers such as savings bank deposits, indicate that there should be plenty of funds available for investment but, lacking the stimulus of new offerings, there is little investment atmosphere. Notwithstanding this, the market is in a healthy position, and as a result the inactivity has brought with it little, or nothing in the way of price recessions.

During the last week or ten days in fact, there has been a fractional strengthening on the part of a few of the more active Victory and Refunding Loan issues. No Provincial offerings have been made recently and but few local Municipals, although bidding for any issues that do appear has been quite keen and indicates that dealers are willing enough to buy bonds at the prevailing price level.

There has been no noticeable change in the market for Public Utility and other Corporation Bonds, and judging by a review of dealers' lists received during the last five or six days, the amounts of bonds in the hands of dealers are almost negligible. On the whole, the feeling regarding the bond market is inclined to be rather optimistic because of the fact that the mid-summer inactivity has brought with it no price recession, and the feeling is that, if the market remains in its present state during the next five or six weeks, a real investment market may be expected early in the Fall. This, of course, would augur well for any Dominion financing that may take place in September or October.

FOREIGN LOAN MARKET AT LONDON QUIETING

London.—The investment markets are very quiet, as competition for high-yielding new issues is absorbing a good deal of new money, and uncertainty as to the monetary and gold outlook is militating against a rise in prices. The new-issue movement is now slackening, however, owing to the approach of the holiday period.

The big rush for the City of Berlin 6 per cent. sterling loan, for £3,500,000, at 98½, characterized the earlier part of last week, but no more substantial foreign loans are expected at the moment. The Government does not object to foreign loans within reasonable limits, and no restrictions are likely for the present. Most of the inquiry came from actual investors who were attracted to these securities by their favorable terms, but "premium snatchers" have been much in evidence, as has been shown by the realizing sales after the market opened.

Canadian Bond Sales

Table with columns for Year (1925, 1926, 1927) and various bond types (Government, Municipal, Railroad, etc.) with corresponding sales figures.

Bond Brevities

THE MORE quiet the stock market becomes, the better should be the chances for distributing new bond issues to the market.—Moody's Investors' Service.

A NEW high record was established by the amount of new securities offered on the New York market in May which reached \$946,763,000, an unprecedented figure for one month. The Brookmire Economic Service, Inc., reports. For the first five months of the year total equalled \$4,371,000,000 or more than \$1,000,000,000 in excess of the corresponding five months last year. Bond house officials report that of this year's offerings some \$700,000,000, or about 16 per cent. of the total, are still unsold. Such a volume ties up a considerable amount of credit, and as a result there has been a weakness in the bond market which has in turn helped to produce unsettlement in the stock market.

PUBLIC OFFERING PREFERRED STOCK ZIMMERKNIT LTD.

Toronto Syndicate Underwrites Issue of Successful Knit Goods Firm

BONUS OF COMMON

Sound Equity and Favorable Earning Power Behind Senior Security—No Bonded Debt—Expansion in Sales Volume

R. A. Daly & Company and Denman & Company are making a public offering of \$600,000 7½% cumulative, redeemable preference shares, par value \$100, of Zimmerknit, Limited, at par. With each preferred share, a bonus of one-half share of common stock of no par value is given. Fractional shares of common stock will be adjusted at \$18 per share. Capitalization, when present financing is completed, will stand as follows: Authorized Issued 7% Cum. Redeem. \$1,000,000 \$600,000

Fixed assets of the company, at net depreciated value, as of Feb. 15th, 1927, stood at \$798,756, while net current liabilities, amounted to \$402,315. The combined net tangible assets, therefore, amounted to \$1,202,236, or equal to \$200 for each preference share.

The average annual earnings of the business now owned by Zimmerknit, Ltd. after depreciation and income taxes, available for preference dividends, for four years from May 1st, 1923, to April 30th, 1927, have been \$93,271, or 1.65 times preference dividend requirements and at the rate of \$1.09 per share on the common stock after provision for preference dividends. Net earnings for the year ended April 30th, 1927, amounted to \$107,974, which is 2.57 times preference dividend requirements, and at the rate of \$2.64 per share on the common, after allowing for preference dividends.

R. L. Innes has been appointed the president and general manager of the company and will have associated with him the present technical staff, many of whom have been identified with the enterprise since its inception.

Total sales of the company have grown steadily from \$1,051,285 in 1921-22 to \$1,749,060 in 1926-27. The charter of the company provides for maintaining a reserve fund equal to four quarterly preferred dividends and, in addition, commencing with the third fiscal year of the company, the company is to set aside annually a sum equal to not less than one-tenth of the net earnings of the company, after payment of preferred dividends which will be used from time to time for redemption of preferred stock by purchase or call. The present preferred shares are amply protected against any issue of prior obligations.

BRITISH CAPITAL GOES TO WINNIPEG

Winnipeg Bureau The Financial Times Winnipeg.—Evidences of the renewal of interest of Old Country investors in western Canada are seen in a number of transactions which have taken place here recently. Plans have been completed for example, to erect three new moving picture houses in this city, at a cost of approximately \$50,000 apiece. The funds having been supplied by English investors. Construction is to start in the near future.

Eastern capital, however, is behind the big seven story apartment block which is to be erected on Kennedy street at a cost of approximately \$500,000. The plans have been drawn up calling for an imposing structure of re-inforced concrete faced with brick and trimmed with Tyndall stone which will contain 72 suites. In honor of the governor-general it will be known as "The Willingdon." To provide for the financial arrangements a newly-organized company, "The Willingdon, Limited," is now in operation, and is calling for tenders for the structure. The architects are Craid and Madill, of Toronto.

Electric Light Rates to be Increased 25% in Ontario

New York.—The rates for electric energy are to be increased 25 per cent. in Ontario, according to reports received by the local office of the New England Bureau of Public Service Information.

A report issued by the New England Bureau says: "Much has been written about the new rates and general efficiency of the Ontario hydro-electric system and its subsidiaries, which operate in the various cities and towns of Ontario. Investigation by electrical men in the United States have shown that rates to householders have been very low. Lower rates, however, as well as rates to farmers, have been much higher than in the neighboring Province of Quebec, which is under private ownership, and also higher than similar cases in the United States.

Summer Quiet is Now Prevailing

The bond market has shown no important change in the past week, say Greenshields & Co. The recovery in prices for Victoria, following the slight setback of late June, is holding and the market for corporation issues, although not active, reflects steady absorption.

From now on until the middle of August, it is doubtful whether any notable change is to be looked for in the securities market, including the Stock Exchange. The general feeling is that the recent liquidation has left the Stock Exchange in a much healthier position but a renewal of general activity on the upward side does not appear to be expected or desired until the outlook for autumn business is clearer. In the meantime, there are no immediate factors in the market and in a period of satisfactory business like this special issues are likely from time to time to be responsive to favorable developments within the companies affected.

BOND ISSUE SOON FOR BIG BRIDGE

International Syndicate to Offer \$20,000,000 Bonds For Detroit Bridge

New York.—An offering of \$20,000,000 bonds of Detroit International Bridge will be made next week by a nation-wide syndicate, headed by Hemphill, Noyes & Co. and Peabody, Houghteling & Co. The loan will be the largest ever floated for a privately owned toll bridge. The proceeds will finance the construction of the new international bridge, linking Canada and the United States.

One span of the structure, approximately 1,850 feet, will be the longest ever built, being 250 feet longer than the Brooklyn Bridge span, and 100 feet longer than that of the Philadelphia-Camden Bridge.

Associated with Hemphill, Noyes & Co. in the transaction are M. R. Compton & Co., Eastman, Dillon & Co.; Mitchell, Hutchins & Co.; the Dominion Securities Corp.; the Marine Trust Co. of Buffalo; the Fifth-Third Union Co. of Cincinnati; Bond & Goodwin & Tucker; Royal Securities Corporation; and McLeod, Young, Weir & Co.

The financing will take the form of \$12,000,000, 25-year first mortgage bonds, and \$8,000,000, 25-year participating debentures.

Coverdale & Colpitts, engineers, estimate that the present Canadian traffic will readily pay for the bridge. This traffic is increasing rapidly.

The bridge will be built by McClintic, Marshall & Co. Ralph Modjeski and Clement E. Chase, consulting engineers, have approved the plans for the bankers.

KNITTING MILLS ISSUE FOR B.C.

Vancouver Bureau The Financial Times Vancouver.—Miller, Court & Company, Limited, Vancouver, and the British Columbia Bond Corporation, Limited, of Vancouver and Victoria, are offering to investors an issue of \$250,000 Jantzen Knitting Mills of Canada, Limited, 7 per cent. cumulative preferred stock at par \$100 per share, carrying a bonus of 10 shares of no par value common stock for each share of preferred stock purchased.

With the proceeds of the sale of this issue, the Jantzen Knitting Mills, which are housed in the old News-Advertiser building at the corner of Hamilton and Foster streets, will be moved to larger premises elsewhere in the city to handle its increased production, and also for purposes of increasing working capital.

TAX ARREARS PAID UP.

City of Moncton Better Off Than Last Year. Saint John.—According to recent published statistics, the city of Moncton, N.B. is \$42,209 better off than last year, despite the fact that an over-expenditure of \$7,018 seems to exist. This happy state of affairs is due to some \$49,000 in old accounts being paid off and the fact that tax collections have been better. Since the first of the year, excepting January, every month has shown an increase in receipts and expectations are, if nothing unforeseen arises, that the year will be a better one than was 1926.

SHAREHOLDERS OF GRAND TRUNK RLY. TO BRING ACTION

Fund to Be Raised to Proceed Legally Against Dominion Government

OTTAWA AWAITS RESULTS

New Stockholders' Company Formed in London — British Legal Opinion Gives Hope of Successful Action.

News reaching here from London that stockholders of the Grand Trunk Railway are considering raising funds to take legal action in their fight for recognition by the Dominion Government, has brought the intimation from government circles in Ottawa that no immediate steps will be taken here but that the situation will be met when it arises in definite form.

Officials of the department interpreted the London cable as meaning that the former Grand Trunk preference and common shareholders had formed a company with a view to continuing their campaign for compassionate or moral consideration in connection with the Grand Trunk stocks.

These stocks on the acquisition of the railway by the Government in 1921 were stated by the majority arbitrators to be of no value owing to the condition of near bankruptcy of the railway and its heavy involvements in connection with the Grand Trunk Pacific, at that time already in liquidation.

The par value of the common stock amounted to \$116,000,000 and the preference shares to about \$64,000,000, a total of \$180,000,000. Judge Taft, who was the Grand Trunk representative on the board of arbitration, held these stocks to be worth not less than \$48,000,000 despite the circumstances of the road.

The preference and common shareholders have at various times in recent years passed for compassionate consideration, but owing to the very heavy demands of the railway, on the Canadian Treasury the Government has not found it possible to make any grant of a compassionate nature.

Government officials believe that the new company formed will take legal proceedings if possible, to ascertain definitely what their legal rights are under the circumstances of acquisition.

Conciliation Failed. The cable from London announcing the holding of the special meeting there and outlining the proceeding, read as follows:

Lord Askwith, chairman of the Grand Trunk Railway Junior Stockholders' Organization, at an extraordinary general meeting of the stockholders here this week, after resolutions had been passed asking for the conversion of the existing £1 preference shares into preference shares, mentioned that a meeting of the old Grand Trunk proprietors would be held to decide in the interests of those concerned.

Lord Askwith suggested that the stockholders should provide money for the purpose of making a test case of their rights, and after quoting the opinion of Sir John Simon, who has been associated with other eminent lawyers in the matter, said the committee did not feel justified in abandoning the case without taking legal proceedings.

The resolutions passed at the meeting provided for the conversion of the existing £1 shares into preference shares with priority as to capital, the increase of the capital from 10,000 shares of £1 each to £52,000 by creating 52,000 new ordinary shares of a shilling each, and also provided for changing the organization's name to that of the "Grand Trunk Junior Stocks, Limited." The Grand Trunk junior stockholders several years ago became incorporated as a private limited company, whose objects were "to secure and obtain and receive compensation as an act of grace or otherwise for the former holders of first, second or third preference and ordinary stock."

Lord Askwith said the committee had tried conciliatory means with the Canadian Government with a view to meeting the situation in the light of the suggestion made by the three arbitrators who had reported on the value of the Grand Trunk stock, to the effect that consideration of an equitable moral character should be given the Grand Trunk stockholders, but the committee had not made any appreciable progress in this connection.

Strong Legal Opinion. Opinions had been taken of eminent Canadian lawyers, as well as the opinions of Sir John Simon and two other prominent British lawyers, Lord Askwith said, and these had coincided. Sir John Simon and counsel associated with him had given the following opinion:

"It is true that the Dominion of Canada created the stock and the voting rights of the shareholders, but the province did not create the money subscribed to those stocks, and the alteration of the shareholders' voting rights in order to acquire the stocks at a compulsory price to be fixed by an agreed or impartial tribunal might be certain circumstances be held to be railway legislation. We do not think that in question, which both alters the voting rights of the stockholders and determines the tribunal suggests that the stock may be worthless and limits the price and reduces the true value, is legislation in relation to lines of railway within the meaning of the act or the company's legislation authorized by section 94, or is otherwise authorized by the provisions of the British North America Act."

"There was a very strong opinion, Lord Askwith said and in view of the large amount at stake and the position to which many of the stockholders were reduced by no



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NEW MEMBER FOR INVESTMENT FIRM. Stewart, McNair & Company, members of the Toronto Stock Exchange, announce that Herbert A. Telfer has become associated with their firm. "Herb" Telfer, who is well known in Toronto industrial circles, was

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SALES EXPANSION INDICATES GAIN STORES EARNINGS

For First Half of 1927 Sales Increased by 21.7 Per Cent.

MANY NEW STORES

Estimating Profits on Basis of Current Sales Volume Forecasts Earnings of \$8.50 a Share on Common

LONDON Bureau The Financial Times. Toronto.—In view of the impressive growth in sales of Dominion Stores, Limited, during the first half of 1927, when an increase of 21.7 per cent. was shown, it is of interest to speculate on what earnings will be for the full year. In making calculations, several important factors that will develop during the second half must be taken into consideration. Sales in the grocery business business swell to relatively big proportions during November and December. During the last six months 62 new stores were opened by the company. Sales from the majority of these did not count materially in the figures for the first half of the year. They will undoubtedly figure in sales on a constantly increasing scale during the second half, while the opening of numerous new stores will take place.

Another factor is that as the number of stores increases, operating costs average lower. Still another factor is that as all preferred stock was retired during 1926, no money out of earnings will be required, either for dividends on, or for the purpose of redeeming senior securities. No senior securities exist. All earnings go to build up the organization and pay dividends to holders of capital stock.

May Earn \$8.50 a Share. During the first half of 1927 monthly sales averaged \$1,200,000. Let it be assumed that sales will increase at the rate of \$200,000 per month over this average during the first four months of the second half of the year and average \$2,200,000 during November and December. Such estimates appear reasonably conservative and would result in total sales for the year of \$19,000,000, or an increase of approximately 25%.

Considering the various other favorable economic factors mentioned above, the increase in net profits should be at least proportional to increase in sales. As the company earned \$515,000 in 1926, an increase of 25 per cent. this year would make profits \$644,000, or equal to \$8.50 per share on the 75,000 shares of no par value outstanding.

SOUND CONDITIONS IN SALMON MARKET

President of B. C. Fishing Optimistic on Outlook For Coming Season

TORONTO.—Amellius Jarvis, president of British Columbia Fishing & Packing, Limited, states in reviewing the situation in the canned salmon industry: "All chums have been sold at \$1.30 and we don't believe there are any more to be had elsewhere, as there is normally a considerable demand for chums all through the season; this will be an important factor of strength to the pink market. Moreover, last year's goods were being sold under all sorts of guarantees, while there is now no difficulty in making sales without them.

"We have had a good many reports of new pack pinks being offered below the current prices, but we have been unable to find any reliable factors putting out such offerings. Packers are not going after new pack business, but are getting in many orders for early delivery out of the 1927 pack on the basis of prices when shipped.

"General conditions in the salmon market are better than last year in many ways. Distribution is now in fewer hands than in former years and packers feel that the market is in a stable condition and that the old method of cutting prices to stimulate consumption was a mistake. They realize that they must take care of the jobber twelve months of the year, taking his orders when he feels inclined to buy and shipping their policies accordingly."

SUPERTEST SHOWS IMPROVED PROFITS

TORONTO.—Supertest Petroleum Co.'s shares have been bid up sharply in the past ten days or so, from 18 to 23. A good demand exists for the stock, but little is coming out on the advanced bids.

The company has benefitted materially in the past few weeks as a result of heavy outside tourist traffic in addition to normal sales in its territory.

Ma, Enter Distribution. Gross sales and net profits of the company have shown substantial increases this year to date and as the best five months of the year lie ahead, there is every indication that net results for 1927 will exceed earlier forecasts made by the management.

Supertest Company plans to enter the distributing business in Toronto.

BIG RAIL ORDER TO KEEP PLANTS BUSY

Sydney, N.S.—The British Empire Steel Corporation commenced this week the rolling of the 10,000-ton rail order, recently secured from the Canadian Pacific Railway. This business will keep the mill operating a single shift about a month. It is understood the company is nego-

tiating for other orders and it may be that before the C. P. R. work is completed other business may be booked.

DODGE BROTHERS EARN DIVIDEND FOR FIRST HALF

Results For Second Quarter of Year Better Than Preceding Period

AFFECTED BY NEW PLANS

DETROIT.—Apprehension over the immediate safety of the dividend on Dodge Brothers, Inc., preference shares indicated by the decline of the stock to new low levels is not shared by those usually well informed on the company's affairs. The dividend on this issue due July 15, has been declared and consideration of the next quarterly payment will not be had until September.

It is understood that earnings for the second quarter of the company's fiscal year not only covered all charges and preference dividends, but left a much larger balance to be added to surplus than in the preceding three months.

Exceeded Expectations. In the first quarter of 1927 Dodge Brothers reported net income after taxes of \$1,545,340, which covered the dividend on the 550,000 shares of preference stock and left a nominal balance of 2 cents a share on the 2,434,524 shares of A and B common.

While comparisons of the first six months of 1927 with the corresponding period of 1926 are extremely unfavorable, those in close touch with the plans of the management are gratified that under the circumstances the company was able to fully cover its dividend requirements. Such a result had not been anticipated six months ago when the plans, which have since been carried out, were inaugurated.

Subnormal Operations. These plans included new models, the construction of additional manufacturing facilities, and the entry of the company into the six-cylinder field. The expenses incidental to carrying them out as well as the knowledge in the trade of the company was revamping its line have been retarding influences on sales and earnings, and resulted in a subnormal operating period during the first six months of the year.

BETTER OUTLOOK FOR BREWERIES

Expectation of Improvement in Earnings During Current Year

Buying of National Breweries shares this week carried the stock to around 70. As the company pays \$1 per annum in dividends, the yield at the current price is 5.71%.

Net profits of the company in 1926 amounted to \$1,084,907, and after \$194,250 was allowed for preferred dividends and \$721,314 for common dividends, a balance was carried forward into profit and loss account of \$169,342, making the total surplus \$2,785,749.

It is understood that National Breweries has done well during the first half of 1927 and indications are that the company, which operates in various parts of the Dominion, will show substantial growth in earnings for the full year.

RECORD MONTH FOR INTERNATIONAL PETE

May Shipment From Colombia Shows Big Increase Over Previous Month.

TORONTO.—May exports of crude petroleum from Cartagena Colombia, terminus of the Andian National Corporation pipe line, totaled 1,099,176 barrels, largest monthly shipment yet made, an increase of 306,055 barrels over April. In the five months ended May 31, crude exports totaled 4,428,451 barrels. There were no exports in the corresponding period of 1926.

Of the May shipments, United States received 538,090 barrels, 66,000 barrels went to England and 40,000 to Canada. Petroleum production in May totaled 1,114,000 barrels, average of 36,000 barrels daily, against 1,007,500 barrels, average of 32,500 daily, in April.

This oil came from the concessions of the Tropical Oil Company, Colombian subsidiary of International Petroleum Company.

DOMINION RADIATOR REDEEMS PREFERRED

TORONTO.—It is announced by Dominion Radiator & Boiler Company, Ltd., that on September 1, next, all of the 7% cumulative preferred stock of the company, amounting to 15,484 shares, will be retired. The basis of redemption is par value plus an amount calculated as if the preferential dividend were accruing from the time of payment of the last quarterly dividend to the time of redemption. This works out at \$101.75 a share.

Shareholders are asked in the notice to deliver their certificates to the National Trust Company, Ltd., at Toronto, some days prior to September 1, on which date cheques will be mailed.

COSMOS MILLS TO SHOW GOOD EARNINGS GAIN

Improved Demand For Products Indicate Favorable Report For Year

GOOD LIQUID POSITION

Indications That Common Stock Is Not Far From Dividend Stage—Wide Range of Production From Plants

TORONTO Bureau The Financial Times. Toronto.—Cosmos Imperial Mills closed its fiscal year June 30th. The company has enjoyed a good year, and results will show an improvement over the preceding year. The annual statement should appear in August.

Cosmos Imperial issued a statement early this year covering operations for the six months ended December 31st, 1926, the first period under Canadian control. After providing for manufacturing costs, selling and administration expenses, depreciation and bond interest, profits amounted to \$118,876. From this preferred dividends for the period and Federal income taxes were subtracted, leaving \$73,231 to apply to common stock, of which there are 50,000 shares of no par value outstanding. This was equal to \$1.73 per share. It should be observed that the January-June period is the heavier season of operations.

Strong Balance Sheet.

The liquid position of the company was strong as of December 31st last, current assets being \$1,204,439, as against current liabilities of \$56,167, leaving net working capital of \$1,148,272. The ratio of current assets to current liabilities was about 22 to 1.

The company's capitalization consisted of \$950,000, 6½% bonds outstanding, \$1,500,000 7½% preferred stock, besides the 50,000 shares of common.

The operating position of Cosmos Imperial Mills Ltd. is interesting, because, in addition to the wide range of products it manufactures for the general trade, such as tent materials, vessel sails, mechanical belting and hose, railway and car roofing, binder canvases, tarpaulins, awnings and filters, the company does a very important business with the pulp and paper companies, in supplying heavy cotton paper dryers.

Demand For Products. The company operates plants at Yarmouth, N.S., and Hamilton, Ont. What is claimed to be the largest loom in the world was installed at the Yarmouth plant, capable of producing "paper maker's" felt 204 inches wide. The company does a good business with the paper mills,

and in view of the remarkable growth in the paper industry in Canada this department of the business should grow rapidly.

The old company operated successfully for many years, but the new company is only a year old. While it may be some time yet before the common stock is placed on a dividend basis, the success of the past year brings that event appreciably nearer. The stock has been in good demand both here and in Montreal.

CONVERSION OF McCOLL STOCK ON BIG SCALE

Indications That Whole Preferred Issue Will Be Converted

BASIS OF 3 FOR 1

TORONTO Bureau The Financial Times. Toronto.—Considering the number of McColl Bros. preferred shareholders who have applied for common stock, in exchange for their preferred holdings, there is every indication that practically all, if not all, shareholders will take advantage of the conversion privilege. They get three shares of no par common for each preferred share held. That they would convert, was taken for granted, in view of the relative position of the stocks on the market and the high earnings of the company, which finally will go to common shareholders.

As \$1,000,000 preferred stock was outstanding, or 10,000 shares, conversion of all the stock would call for 30,000 shares of common. This would bring the total issued capital to 150,000 shares.

Earnings \$5 a Share. It is understood that 90,000 shares of common are in the hands of the McColl family. This would leave only 60,000 in the hands of the public.

On the increased common stock, the company is understood to be earning at the rate of close to \$5 per share this year. When the retirement of preferred stock is completed, an increase in dividends from the current 80 cents per share per annum is assured. The company can afford to make substantial distributions, especially if cash outlay in redeeming preferred stock is small.

OIL STRIKE IMPORTANT.

Lethbridge.—Dr. John A. Allan, of the University of Alberta, informed the local Board of Trade that the encountering of crude oil in the Devenish well, near Skiff, was the most important oil discovery that has been made in this province. He said that the big petroleum interests had already recognized the importance of the strike and that important developments were inevitable.

Facts About the Rubber Situation

By HERBERT N. CASSON. (Written for the Boston News Bureau from London.)

The most important recent event in England from the American point of view, was the official announcement by the British government that the Stevenson restriction scheme for controlling the production of rubber will not be abolished.

This scheme was started in November, 1922, at a time when the whole rubber-growing industry was threatened with bankruptcy. From the British point of view, it has been an undoubted success. It has kept about 160,000 tons of rubber a year off the market and raised prices to such a degree that rubber growing has become very profitable.

The present situation is that if the price remains at an average of 42 cents a pound or less, the restriction will probably be taken off altogether.

At first, the Stevenson scheme was regarded as a temporary expedient. Last October, the British government referred to it as a "temporary policy of restriction."

British Growers Opposed. Since then, the government has changed its mind. The general belief in Britain now is that the restriction scheme must be made permanent, to enable rubber-growers to meet the organized opposition of American buyers and the raids of bear speculators.

Had it not been for this opposition, the restriction scheme might have been abolished, as there are a number of British rubber-growers who are not in favor of it. They believe that it has helped the Dutch plantations at the expense of the English.

Eric Macfadven, the chairman of the British Rubber Growers' Association, says that the main opposition to the scheme has come from outside speculators, rather than from the consumers of rubber.

The scheme treats all nations alike, he says. It is not aimed at American or German consumers. It does not favor English consumers in any way.

The British point of view is that the rubber growers have done the world a service in keeping their industry solvent with very little profiteering.

They claim that nothing else is as cheap to-day as tire mileage, when compared with pre-war standards. To persist in producing too much rubber, says Mr. Macfadven, would be as stupid and ruinous as to persist in growing too much cotton.

Consumption Increases. At the moment, in spite of the Stevenson Scheme, the buyer is king in the rubber market. The price has fallen to 32 cents a pound, which is the lowest for two years. The shares of the rubber companies have fallen heavily during the last two weeks.

It has now become difficult to obtain reliable information regarding rubber, as there is so much press propaganda on both sides of the question of restriction.

As far as can be ascertained, the facts seem to be as follows: For 12 years before the war, the price of pure rubber averaged \$1.44 per pound.

INTERNATIONAL PAPER COMPANY
Cumulative 7% Preferred Stock

FIVE DISTINCT SOURCES OF INCOME
Newsprint — Sulphite Pulp — Kraft Paper
Book and Writing Papers — Hydro-electric Power

POWER PROPERTIES

The International Paper Company is one of the largest holders of water powers on the continent.

Its major hydro-electric development, Gatineau Power Company, comprises one of the foremost hydro-electric projects on the continent and occupies a particularly favorable position in Canada due to its close proximity to large power markets. The three Gatineau plants have a designed capacity of 530,000 H.P., of which 80% is now being installed. Long-term contracts have already been executed for the sale of over 300,000 H.P. to the Ontario Hydro-Electric Commission and others.

At Grand Falls, N.B. is the plant of the St. John River Power Co., a wholly owned subsidiary, which will be the largest hydro-electric plant in the Maritime Provinces, designed for an installation of 80,000 H.P. in four units, three of which are expected to be installed initially. Sale of part of the power to be developed has been arranged for and the balance the Company plans for its own use.

In the United States the Company has operated successfully for a period of years hydro-electric plants on the Hudson and Saranac Rivers with a capacity of 44,000 H.P., with an ultimate development of 300,000 H.P. This additional power is within a distributing radius of the large power market of New York City.

In addition to its own electric power properties, International Paper Company holds over 30% of the Common Stock of New England Power Association, which ranks first in New England with respect to the amount of electricity distributed.

MAGNITUDE

The total water powers which the International Paper Company and its subsidiaries now have in operation or under construction aggregate 700,000 H.P., capable of an ultimate development of over 1,500,000 H.P. The magnitude of these power properties may be realized when it is considered that the developed horsepower on the Canadian side of Niagara Falls is about 900,000 H.P. and on the American side approximately 573,000 H.P.

We consider the Cumulative 7% Preferred Stock of the International Paper Company a sound investment giving an exceptionally attractive interest return

Price to yield about 7.20%

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that the peak of productivity will be reached in 1928, when there will be an output of 650,000 tons. After this year it will decline.

Large areas of rubber plantations are going out of production, because of the loss of valuable top-soil, and because of damages wrought by storms, fire, jungle growth, wild animals and disease.

The effective area of rubber production is now only 4,300,000 acres, with an immature reserve of 400,000 acres.

To replace this wastage, at least 200,000 acres a year should be planted. To provide for a 10% increase in consumption, a further 400,000 acres should be planted, making 600,000 in all.

This is not being done. In fact, in several years, since 1913, not more than 100,000 acres have been planted.

The world's consumption of pure rubber is now about 550,000 tons a year. And it is believed by rubber experts that the average of rubber production for the next six years cannot average more than 640,000 tons a year.

Consequently, there is more likely to be a shortage than a glut. The Stevenson scheme will then be dropped and the British government will take measures to increase the planting of rubber trees.

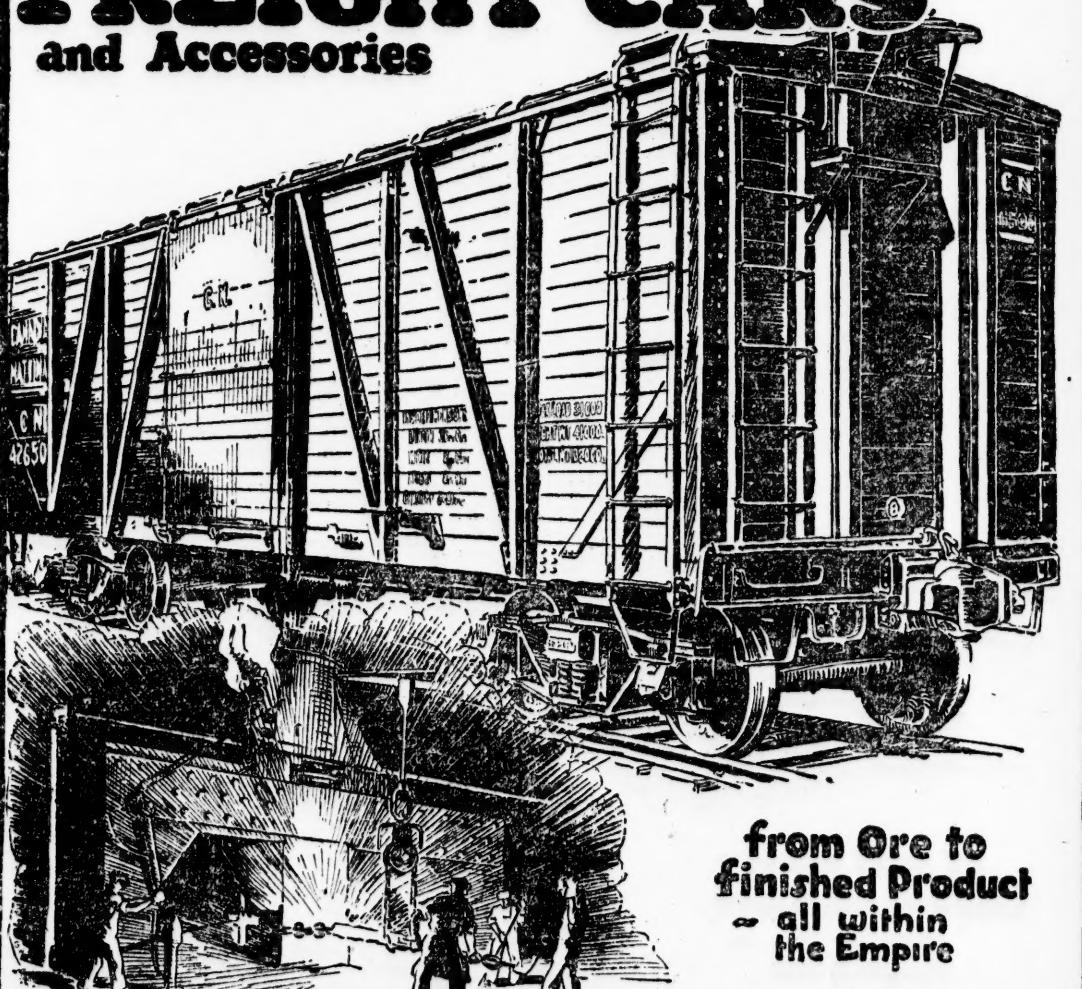
To Increase Production. In spite of the greater use of reclaimed rubber, the consumption of pure rubber is steadily increasing. Within a year or two, the wear-and-tear consumption will overtake unrestricted production.

In the rubber industry, it is necessary to look at least six years ahead as it takes six years to bring a rubber tree into bearing.

The world's existing sources supply are now nearly at their minimum peak of production, and there appears to be no reason to believe that any substitute can be found for rubber, nor that there will be any decrease in consumption now that there are nearly 30,000 motor cars in the world.

So, the general belief in Great Britain is that, in spite of the Stevenson scheme, it is to be made permanent, the real problem of the rubber industry is how to increase the production of rubber, in order to keep pace with the steadily increasing consumption.

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Your Will should be Carefully Prepared

In view of the legal technicalities and of the judicial interpretation of the language used in a Will, it is a grave mistake for you to draw your own. No other legal document that you execute is so important as your Will. We can not emphasize too strongly the importance of having it drawn by a competent solicitor or Notary—and of equal importance is the appointment of your Executor.

Montreal Trust Company

11 Place d'Armes, Montreal

SIR HERBERT S. HOLT President A. J. BROWN, K.C. Vice-President F. G. DONALDSON General Manager

SAWYER MASSEY TAKEN OVER BY NEW INTERESTS

Old Shareholders Get 16,500 of 50,000 Shares in New Company

GROWING ORGANIZATION

Hamilton.—"The firm's business is on the verge of a great expansion," stated President Russell, of Sawyer-Massey Co., Ltd., on the eve of his recent departure for Europe. "Not only is our present line of machinery to be manufactured and aggressively marketed with the aid of a reorganized sales force but in addition new lines are to be added in keeping with the progress of the country. The line which now comprises graders, maintainers, steam-rollers, stone-crushers and the like, will be extended to include leasing wheel graders, gasoline road rollers, gasoline shovels and other important items.

New President For Terminals Company



FRANK KENNEDY.

The directors of the Canadian Rail and Harbour Terminals, Limited, announce the appointment of Mr. Frank Kennedy, formerly General Manager, as President of the Company, to fill the vacancy caused by the death of Sir John Willison. Mr. Kennedy was formerly Toronto Manager of the Bell Telephone Company. Announcement is also made of the appointment of Raymond F. Crump, formerly Assistant Manager, to that of General Manager. Mr. Crump has had over sixteen years experience in warehousing, having been general manager of the Northwestern Terminals Warehouse, Minneapolis, and was for several years in charge of the Proctor and Gamble Warehousing in the United States. Mr. Crump has also been associated with the firm of Moores & Dunford, Inc., Warehouse Engineers and Architects, New York.

INTERNATIONAL PETE TO SHOW EARNINGS GAIN

Production Increased by 150 Per Cent. in First Half of Year

ADDITIONAL FACILITIES

Toronto Bureau The Financial Times Toronto.—Production of International Petroleum Co. has been running this year at the rate of approximately 1,800,000 barrels per month, as compared with approximately 750,000 barrels monthly during the first half of 1926. The fact that output increased between two and three times this year is due to the commencement of shipments early in July 1926 of production from the Tropical Oil Company's rich Colombian fields.

With production at the rate of 21,600,000 barrels per annum, as compared with total production of 15,075,540 barrels for the whole of 1926, earnings and profits of the company should show very substantial increases this year. Furthermore, additional pipe line facilities have just been completed allowing for shipments of 50,000 barrels per day, as against 30,000 barrels previously.

Expect Higher Dividend. As present production capacity of the Tropical Oil Co. is close to 190,000 barrels daily, sales should increase greatly during the second half of 1927. An additional 20,000 barrels per day represents 3,650,000 barrels for six months. The prospect therefore is that International Petroleum will show production for 1927 of more than 25,000,000 barrels. This would represent an increase of 10,000,000 barrels, or 67%. The above figures are sufficient to indicate that the earning power of the company has grown immensely, and that an increase in profits of

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Write for Circular describing the Securities of **FRONTENAC OIL REFINERIES, LIMITED, MONTREAL**, producers of "CYCLO GAS" which is in such great demand.

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Stock Exchange News Brings to Montreal a New Mystery Mine

(Continued from Page 1)
Sponsoring. Its advice to investors in the column has been conducted in an ultra-conservative manner, and has been advised against marital trading in any shape or form. The investors of sparse means were recommended to keep away from securities and retain their funds in the savings bank. At the same time, however, it has been showing the ground for the stock market campaign by showing the enormous profits attained in the past, and still to be achieved, by placing of one's investment funds in a new and untried proposition. For the past six weeks Stock Exchange News has been announcing its interest in a mining property located in the Kirkland Lake district, the name of which it refused to divulge until keen and exhaustive investigation had been made so to satisfy the publishers with regard to the value of the mine and its consequent potentialities of the stock. In the most recent issue the name of the property has been announced as Kirkland Gold Belt Mines, the stock of which was last week listed on the Montreal Mining Exchange. The company, which owns 5 claims located in Larder Township, Larder Lake Mining Division of Temiskaming District, Ontario, is capitalized at 3,000,000 shares of no par value stock, and the offering price, at which the shares are offered by Stock Exchange News to its readers, was 75 cents a share.

an enquiry as to the extent of the profits which might be expected from the unknown stock brought a review of the profits which have been made on investments in Teck-Hughes, Lake Shore, Wright-Harveaves, and Noranda. During the past year, while the extreme buoyancy in the Canadian Stock Markets has been bringing more and more newcomers into the field of speculation with the commendable intention of obtaining their share of the big profits to be obtained, the various schemes which have been exploited to capitalize this wave of speculation by trimming the uninformed investor have been many and ingenious, running the gamut from the straight high-pressure stock-jobbing to the establishment of financial advisory services which have as their sole purpose the distribution of doubtful mining securities among the public.

Profit By Past Records.
In the columns of The Financial Times last week, a table compiled by the Boston Better Business Bureau, was reproduced, showing the extent of the losses sustained by those investing in mining securities which have been sponsored by various tipping sheets and stock jobbing financial journals throughout the United States. With the listing of this Kirkland Gold Belt on the Montreal Mining Exchange, it now comes under the notice of the Canadian investor, and it is hoped that the latter, profiting by past records of stocks which have been distributed and sponsored under similar auspices, will give the security a wide berth, and conserve his funds for investment in bona fide enterprises, many of which are finding it difficult enough to find sufficient capital for development.

Huge Expense Involved.
While making no effort to controvert the extravagant claims made for the property, it seems hardly conceivable that such rich deposits, situated almost in the middle of the rich gold-bearing district of Northern Ontario, could have been passed over by the prospectors and engineers of the leading producers who are always on the look-out for new and promising acreage to add to their holdings. It is a notable fact that the Larder Lake district has been a seat of development by mining companies in the past without any indication being shown that the field has any commercial possibilities. The point is, however, that in the light of the manner in which the shares have been distributed, and the tremendous expense involved in editing and circulating free, without any revenue from advertising, a weekly newspaper which apparently has as its sole purpose the wholesale jobbing of this security, purchasers of the stock would appear to have little hope of deriving any ultimate profit therefrom. As an indication of the monetary outlay involved in this selling campaign, it is reported that approximately 100,000 copies of Stock Exchange News was distributed last week by first-class mail, which, on the basis of 6 cents per copy, represents a weekly expenditure of \$6,000. This apart from administration, editorial, and composing and printing expense.

Using Investors' Column.
In the June 30 issue of Stock Exchange News, in which the publication of the name, location, and particulars of the mining proposition which was being sponsored was announced for the following week, a front page article taking credit for the manner in which the journal had called the turn on International Nickel in its recent market action, recalling that readers had been advised to buy Nickel at 58, and after the issue had touched its peak price of 75 and reacted slightly to the article in question concluded as follows: "Those who profited by our advice on Nickel can go still further in the right direction by investing their proceeds in the gold mining stock which this newspaper is at present recommending. The same foresight which saw first the rise, and then the fall of International Nickel, foresees now a brilliant future for this particular gold stock."

In the same issue, in the "Advice to Investors" column, the purchase of Duprat Mines was advised against on the grounds that it is too speculative, the enquirer being recommended to purchase instead the stock of the "Mystery Mine," while

ASK BUSINESS TO INVEST IN HOTEL

Railways Also Expected to Take Shares in Halifax Hostelry

St. John Bureau The Financial Times Saint John.—It is intended to ask business interests in Nova Scotia, particularly in the city of Halifax, to subscribe \$250,000 of the authorized issue of \$600,000 7 per cent. cumulative preferred stock in the proposed Lord Nelson Hotel to be erected in that city, and the directors have decided on an immediate canvass of the city and province with this object in view.

At a recent meeting of the directors, the sum of \$50,000 was subscribed and they were in conference with H. R. Bain, of H. R. Bain & Co., Toronto, underwriters of the proposition. It is stated that the Canadian National Railway is willing, with the consent of the Government, to put \$250,000 into preferred stock purchases and that the C. P. R. stands ready to follow suit to the extent of \$100,000. Officers of the company are: President, H. R. Silver; vice-president, J. H. Winfield; secretary, Col. S. C. Oland; provisional directors, M. S. Clarke, R. B. Colwell, F. G. J. Comeau, W. H. Bennis, J. G. Farquhar, Gordon R. Isnor, R. J. McAdam, Dr. J. C. McDougall, Dr. H. K. MacDonald, J. G. Ralmine, J. McG Stewart, K.C.; F. H. Zwicker.

The total cost of the hotel is estimated at \$1,240,000 and definite location of the site seems yet to be determined on it being understood that the C. N. R. wants it located handy to both railway and steamship terminals. In the published prospectus, the capitalization is set forth to be 6 3/4% first mortgage sinking fund bonds, \$600,000 and 7% cumulative preferred shares (this issue common shares 3,200 of no par value) \$640,000, all of which is to be issued. It further states that the hotel is to be erected to meet a long recognized demand and that the daily volume of travel into Halifax assures a profitable constant patronage and that the undertaking is supported by a board of directors comprising the most substantial business and financial men of the city of Halifax and by many of its citizens.

GOOD PROGRESS BY INDUSTRIAL LOAN

A satisfactory degree of progress and favorable balance sheet position is revealed by the report of Industrial Loan and Investment Corporation covering the 6 months period ended June 30, 1927. Of the total assets shown at \$285,793, the loans amounting to \$212,915, shown of which \$48,561 have been repaid. Commercial loans totalled \$187,261, reduced to \$84,517 by the repayment of \$102,744. Other items in the total current assets shown amounting to \$278,389, are cash \$6,000 and shareholders' stock account \$28,511. Fixed assets amount to \$7,403. Liabilities are largely comprised of bank and other loans, and investment certificates totalling \$119,651, and liability to shareholders amounting to \$147,405, this amount representing the total subscribed capital. Reserves amount to \$14,224, and profit and loss balance \$4,512.

The company had net profits for operations up to June 30 amounting to \$8,925, of which June represented \$3,737. Total revenue was \$32,664, of which June furnished \$7,542.

The company was organized to make loans ranging from \$50 to \$5,000 to salaried, professional and business men and business women of good character and earning ability on a 6 per cent. basis, plus \$2.00 service charge per \$100 loans to cover expenses of enquiry, etc. Loans are repayable on the instalment plan.

W. B. Wood is chairman of the board of directors of the corporation and Nathan Lande is president and managing director. The board was recently augmented by the addition of a new member in Thomas McMaslin.

List of Tenders

CITY OF CHARLOTTETOWN.
R. A. Daly & Company was awarded an issue of \$60,000 city of Charlottetown, P.E.I., 5%, 20-year debentures at 100.75. Tenders:

R. A. Daly & Co.	100.75
Eastern Securities	100.57
Royal Secur. Corp.	100.516
Robinson & Sons	100.51
Mead & Co.	100.19
Wood, Gundy & Co.	99.75
Dominion Secur. Corp.	99.25
Bank of Commerce	100.66
Johnston & Ward	100.52
Bank of Nova Scotia	100.514
A. E. Ames & Co.	100.42
Dyment, Anderson & Co.	99.76
Royal Bank of Canada	99.375

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\$600,000

Zimmerkmit, Limited

7% Cumulative Redeemable Preference Shares (Par Value \$100 per Share)

The Cumulative Redeemable Preference Shares are preferred as to dividends and assets; entitled to cumulative preferential cash dividends at the rate of 7% per annum, payable quarterly by cheque (at par at any branch in Canada of the Company's bankers) on the first business day of February, May, August and November; redeemable in whole or in part at \$105 and accrued dividend per share, on thirty days' prior notice at the option of the Company. Provision has been made for a reserve fund of 10% of the annual net earnings, available after payment of preferential dividends, for the third and subsequent fiscal years, to be used, on the Company's direction, in the redemption of preference stock.

Transfer Agent: The Royal Trust Company.
Registrar: National Trust Company, Limited.

CAPITALIZATION	Authorized	Outstanding
7% Cumulative Redeemable Preference Shares (this issue)	\$1,000,000	\$600,000
Common Shares, without nominal or par value	50,000 shares	25,000 shares

BUSINESS—Zimmerkmit, Limited (the business of which was founded in 1907 by A. F. Zimmerman and the late Adam Zimmerman), owns and operates a thoroughly modern textile manufacturing plant at Hamilton, Ontario. Its chief products are underwear, hosiery and knit goods. The Company employs from 500 to 700 skilled textile workers. The Company's output is sold from coast to coast in Canada, and finds a ready market in Australia, New Zealand and other parts of the British Empire.

ASSETS—Fixed Assets (consisting of land, buildings, plant, machinery, etc., as per appraisal of Canadian Appraisal Co., Ltd., dated February 15th, 1927) at net depreciated value amounted to \$798,756.67; plus additions to April 30th, 1927, of \$1,164.75. Net Current Assets at April 30th, 1927 (as certified by Messrs. Thorne, Mulholland, Howson & McPherson, Chartered Accountants), after making provision for all current liabilities, amounted to \$402,315.51. The combined Net Tangible Assets, therefore, as at April 30th, 1927, amounted to \$1,201,236.93, or equal to \$200 for each preference share.

EARNINGS—The average annual earnings of the business now owned by Zimmerkmit, Limited, after depreciation and income taxes, available for preference dividends, as certified by Messrs. Thorne, Mulholland, Howson & McPherson, on a four-year average from May 1st, 1923, to April 30th, 1927, have been \$69,271.15, which is 1.65 times preference dividend requirements and at the rate of \$1.09 per share on the common stock after provision for preference dividends.

Net earnings, after depreciation and income taxes and available for preference dividends, as certified by Messrs. Thorne, Mulholland, Howson & McPherson, for the year ended April 30th, 1927, were \$107,974.28, which is 2.57 times preference dividend requirements, and at the rate of \$2.64 per share on the common stock after provision for preference dividends.

MANAGEMENT—Mr. R. L. Innes has been appointed the President and General Manager of the Company, and will have associated with him the present technical staff, many of whom have been identified with the enterprise since its inception. The Directors of the Company include the following:

R. L. INNES, President, Hamilton, Ont. Director: Canadian Cannery, Limited. Director: Hamilton Dairies, Limited.	A. F. ZIMMERMAN, Hamilton, Ont. Zimmerman & Malloch.
ALAN V. YOUNG, Vice-President, Hamilton, Ont. President and General Manager: Hamilton Cotton Co., Limited.	F. J. MAW, Hamilton, Ont. Vice-President: B. Greening Wire Co., Limited.
Vice-President: Cosmos Imperial Mills, Limited. Director: The Canadian Bank of Commerce.	J. V. YOUNG, Hamilton, Ont. Sec.-Treas.: Hamilton Cotton Co., Limited.
MARK B. HOLTON, Vice-President, Hamilton, Ont. Treasurer: Chipman-Holton Knitting Co., Limited.	NORMAN F. FIRTH, Hamilton, Ont. President: Firth Bros., Limited. Director: Hamilton Dairies, Limited.
WALTER S. BURRILL, Hamilton, Ont. Vice-President and General Manager: Cosmos Imperial Mills, Limited.	ST. CLAIR BALFOUR, Hamilton, Ont. Balfour, Smye & Co. Director: Hamilton Dairies, Limited.
H. B. GREENING, Hamilton, Ont. President: B. Greening Wire Co., Limited.	JOHN M. FIRTH, Hamilton, Ont. Sec.-Treas.: Firth Bros., Limited.
	R. O. DENMAN, Hamilton, Ont. President: Denman & Co., Limited. Sec.-Treas.: Hamilton Dairies, Limited.

We offer the above shares when, as and if issued and received by us, subject to the approval of all legal details by our counsel, Messrs. Long & Daly.

PRICE: \$100 (Par) per Share

With Bonus of One-Half Share of No Par Value Common Stock
Fractional Shares of Common Stock will be adjusted at \$18.00 per share

Interim Certificates are ready for delivery.
The right is reserved to reject any or all applications and also in any case to award a smaller amount than is applied for.
Application will be made in due course to list these shares on the Toronto Stock Exchange.

R. A. DALY & CO.
TORONTO 2
Members Toronto Stock Exchange

DENMAN & CO. LIMITED
HAMILTON

The statements in this advertisement, while not guaranteed by us, are from official sources which we believe reliable and on which we acted in purchasing these securities.

Besco Reorganization Plan Defeated by Shareholders Dominion Steel Winding Up

Majority of Each Class of Stock Voted For Plan, But Necessary 75 Per Cent. Not Given — Court Grants Order For Winding-Up Dominion Steel—President Wolvin Asks For Co-operation Between Interests—National Trust Announces Segregation Not Intended.

At the special general meetings of the various classes of British Empire Steel Corporation shareholders, held in Halifax during the current week, the recapitalization plans, evolved by the Besco management and the various shareholders' committees failed to receive the approval of the necessary 75 per cent. shares outstanding of each class of stock, and, as a consequence, the reorganization scheme was defeated. According to the figures issued, a majority of the three classes of shareholders—first preferred, second preferred, and common—voted in favor of the scheme, but the second preferred and common shares voted did not amount to 75% of the total outstanding, nor did the total of all shares voted reach the percentage required to adopt the proposal of the management.

Shareholders voting for the scheme totaled 1692 as compared with 1097 against. Total shares voted in favor amounted to 228,107, while 216,071 shares voted against. Following is a tabulation of the voting:

First Preferred.		For		Against	
Represented in person	14	3,122	4	23	
Represented by proxy	349	35,482	148	6,258	
Total	363	38,604	152	6,281	
Common					
Represented in person	19	2,755	4	2,142	
Represented by proxy	466	79,411	27	25,737	
Total	485	82,166	31	27,879	
Second Preferred					
Represented in person	16	13,521	7	5,677	
Represented by proxy	637	193,816	97	181,344	
Total	653	207,337	104	187,021	
Grand Total	1,692	228,107	1,097	216,071	

Winding-Up Granted.

Before the special meetings were dissolved announcement was made of the granting by the Nova Scotia courts of the application for winding-up of Dominion Steel Corporation, made by the National Trust Company. Mr. Justice Chisholm, in bringing down his judgment in favor of the winding-up, outlined his conclusions as follows:

"It was urged that the corporation was carried on since 1909 without any change—without any amalgamation or merging of the two principal controlled companies. It is true, but other projects have now intervened. It cannot be successfully disputed that a reorganization of these companies has been for some time intended and that efforts have been made to evolve a plan of reorganization. Mr. Wolvin at the hearing frankly recognized the desirability of a general reorganization. While he declined to state that it was essential, he did admit that it was advisable. To that end I believe his efforts have been industriously exerted. It was urged with force on the argument that the management of the affairs of the corporation should not be taken out of the hands of the majority of the shareholders and that if the corporation had to be reorganized, the task of reorganization should be left to such shareholders.

"Yielding to that view, I have deferred the determination of the application of the petitioner in order that the corporation might freely evolve and consummate its plans. I have asked the counsel to keep me informed of the steps taken, and that has been done.

Reorganization Necessary.

"I have come to certain conclusions of fact in this matter, and it is but fair that I should explicitly state those conclusions. I am of the opinion (1) that a reorganization of the company is necessary in order to preserve the understanding of its two principal subsidiary companies, and to achieve the primary object of the corporation. The activities of the directors of the corporation support that view. Mr. Wolvin concedes that it is desirable; my finding is that it is essential. Before the petition was presented some attempts at formulating a plan were made but without success. I find also (2) no successful effort has been made in the direction of reorganization in the interval from the presentation of the petition to the present time; nor has anything been brought to my notice which would justify the hope that such reorganization can be accomplished by the corporation in the near future. Mr. Wolvin observed on the stand that he failed absolutely to develop any plan that would include the Dominion Iron and Steel Company, Limited, and he added that the coal company cannot be called upon any longer to use its assets to bolster up the steel industry. The allegation pressed by the petitioner is that the policy of those who control this corporation, is, to use the words of counsel, to jettison the steel under-taking entirely. That intention, if it be properly imputed to the management, raises some serious questions of economic and public policy which lie outside the scope of the application before me but I think it can be fairly said that it directly challenges the primary purpose which finds expression in the memorandum of association.

"For the reasons which I mentioned, I have formed the opinion that it is just and equitable that the corporation should be wound up as prayed for in the petition. Some objections were made to the appointment of the Royal Trust Company as liquidators, but I see no valid reason for giving effect to those objections.

Plea for Co-operation.

Denial that any plan for segregation of the component part of the corporation and any change of control for Dominion Steel is intended in their successful application for winding-up proceedings, was made by National Trust Company in a statement issued subsequent to the defeat of the reorganization plan.

This statement was in the nature of a reply to that made by President R. M. Wolvin in announcing the vote of the 3 classes of shareholders. Mr. Wolvin's statement was as follows: "I regret that the scheme of arrangement submitted to you has apparently not received approval by the majority required by law, but I wish you to take notice that although seventy-five per cent. of the poll has not supported the management by such approval, it was supported by a majority of each class of shares and that the proxies given to the management exceeded those given to Sir Joseph Flavell, Bart., Mr. H. B. Mackenzie, Mr. J. M. Macdonnell and F. R. McKelcan (which included 80,000 shares owned by Dominion Iron and Steel Company), by over 116,000 shares. I take this as an emphatic repudiation by the shareholders of the attempt to wind up the Dominion Steel Corporation, the most important unit in the corporation and an instruction to the management to continue to protect your interests by opposing that attempt.

"I refrain from recrimination or any comment on the statements made in solicitation of proxies to vote against the scheme, nor will I criticize the action of the National Trust Company in publicly declaring their intention to vote the shares owned by the Dominion Iron and Steel Company, which your directors consider to be in the custody of the court and subject to its direction.

"When all is said and done, the only thing that matters is the savings of the industries in which you are so largely interested and the protection of the shareholders' investment in them.

"The board of directors holds that this purpose must remain its ultimate goal, and the object of its continued endeavor.

"The directors feel that a rehabilitation of the industries might be effected with less trouble and more profit to those who would undertake it through liquidation and winding up, but it would certainly wipe out a much greater part of the capital (and particularly the share capital) involved in them.

"This is the aim of your directors and yesterday's vote is evidence that the conviction that matters is the saving of the industries in which you are so largely interested and the protection of the shareholders' investment in them.

"In view of the unmistakable mandate from that majority and on behalf of the whole body of shareholders I earnestly appeal to the National Trust Company to abandon their efforts to force the Dominion Steel Corporation into liquidation.

"Rather than continue a course of discussion which not only all our efforts be combined to find a way out of our difficulties? Your directors have been at all times and are still open to suggestions from the collaboration with any of the parties interested.

"I can vouch for the board of directors that no personal considerations will stand in the way of any satisfactory or workable plan and certainly I as president will not per-

mit any consideration of office to interfere with such a plan.

"Your board of directors remains charged with the duty of administering the affairs of the corporation, of continuing its opposition to the liquidation of Dominion Steel Corporation, of keeping the properties intact and of developing some other solution of your difficulties, which they will endeavor to do."

No Control Changes.

The statement of the National Trust reads in part, as follows: "We feel that the thoughts of all concerned in this situation should now turn to the future. There has never been any fight for control on the part of National Trust Company. We have always held the view that the situation should not be in the control of any group but should be under the control of the court of Nova Scotia. We merely represent one interest in a big situation, namely, the interest of the bondholders of the Dominion Iron and Steel Company, Ltd., both as to the business of that company and as to their important holdings of second preference shares of Besco.

"As representing that interest we are not only willing but anxious to co-operate with all other interests concerned in the endeavor to bring about by mutual agreement under the supervision of the court and its officer, the liquidator, a sound and fair reorganization which will deal with the situation, primarily from the manufacturing and business standpoint, seeking to place the industry permanently upon a proper basis and under efficient management, thus affording every opportunity for a healthy growth and development."

Issues Sold

June 28 — Lethbridge Sch. Dist. Alta. \$40,000, 5 1/2%, 3 years, ser.; Can. Bank of Commerce.

June 27 — Sch. Com. of Chicoutimi, P. Q. \$45,000, 5%, 30 years, ser.; B. Y. Caron & Dubé, Ltd., 98.90 cost basis 5.10%.

June 26 — Saskatoon Sch. Dist. No. 13, \$180,000, 5%, 20 years; Can. Bank of Commerce, 98.66; Cost basis 5.08%.

June 30 — C. of Charlottetown, P. E. \$60,000, 5%, 20 years; R. A. Daly & Co., at 100.75.

June 30 — Tn. of Montmagny, P. Q. \$44,900, 5%, 10 years, ser.; Corp. de Prêts de Québec at 99.35. Cost basis 5.12%.

Cooper School Bldgs. Ltd. \$50,000, 6%, 15 years; Direct at 100. Yielding 5%.

June 25 — City of Windsor, Ont. \$101,706.53, 5%, 10 ins.; \$189,082.41, 5%, 10 ins.; \$53,000, 5%, 20 ins.; A. E. Ames & Co. Ltd. at 99.81. Cost basis 5.02%.

July 4 — City of Niagara Falls, Ont. \$17,266.80, 5%, 10 years; \$62,420, 5 1/2%, 20 years; Imperial Bk of Canada, at 100.57.

July 4 — Tn. of Cap de la Madeleine, P. Q. \$254,400, 5%, 20 years, ser.; \$75,000, 5%, 30 years, ser.; L. G. Beaubien & Co. Ltd. at 99.32.

July 4 — Sch. Com. of Three Rivers, P. Q. \$148,500, 5%, 30 years, ser.; A. E. Ames & Co. Ltd. at 99.71. Cost basis 5.03%.

July 4 — Vill. of Mont Joli, P. Q. \$16,000, 5%, 20 years; Credit Municipal Ltd. at 99.47. Cost basis 5.06%.

Richmond Bldg. Ltd. \$375,000, 7%, 20 years; Worthington, Savace & Co., & W. R. McCoo & Co., off. at 100.

BESCO DECISION IS WELCOMED BY PREMIER RHODES

Sees Saving of Industries to Province By Winding Up

SEGREGATION FATAL

Coal and Steel Companies Are Dependent Upon One Another—Looks For Return of Prosperous Conditions

Halifax, N.S. — Hon. E. N. Rhodes, Premier of Nova Scotia, in the course of a statement issued subsequent to announcement of the decision of Mr. Justice Chisholm, ordering the liquidation of the Dominion Steel Corporation, Limited, stated that the verdict "gave much comfort to the Government and people of Nova Scotia." The text of his statement was as follows:

"For some time it has been apparent to the Government that a reorganization of the coal-steel industry of the province has been necessary. At the same time, in consequence of the application for receivership pending before the court, the Government has been precluded from making any public statement. Nevertheless, all events affecting the well-being of the industry have been followed up and have received the Government's closest attention.

Industries Interwoven. "Now that the matters before the courts have been disposed of by the filing of the clear judgment of Mr. Justice Chisholm, considerable light will be thrown upon the subject for the general public.

"There have been in the past many matters that have militated against the successful operation of this industry, comment upon which cannot at this stage serve any useful purpose. At the same time it is evident that plans of reorganization so far put forward by those now controlling the industry have failed to comprehend the necessity for establishing the steel industry of the province upon a firm basis so that it may grow to its proportions as a great national asset of the Dominion. It is the only steel industry which obtains all its supplies of raw materials within the British Empire and by its existence alone Canada hopes to become independent in her supply of iron and steel."

"The coal industry has been so interwoven in the steel that it is impossible to contemplate the existence of the one as separate from the other. There is no question of one of those industries carrying an undue burden in supporting the other. The desire of the people of this province is to have these two all-important basic industries operate in co-operation, and thereby carrying on a mutually beneficial existence."

Reestablishment Assured. "Any plans of reorganization hitherto brought forward have not disclosed that those supporting them have fully grasped the necessity for unified operation, nor have they had regard to securing either adequate financial resources or essentially expert management.

"The present situation, which regrettable in itself and as affecting the property rights of the shareholders of the several companies, nevertheless gives much comfort to the Government and people of the province of Nova Scotia inasmuch as the receivership and liquidation being vested in the National Trust Company and the Royal Trust Company gives the assurance that on the solution of all problems will be brought to bear the best business and financial talent of Canada, and that in such trustworthy and powerful hands we can be assured of a reestablished, unified industry placed upon a sound and enduring basis."

NEED NEW METHOD OF DISTRIBUTION

Passing of Small Dealer Seen in Growth of Mail Order Business

The opinion that the present day prosperity is not as great as its popularly imagined was expressed by G. Laffoley, president of the Montreal Board of Trade, in addressing the Quebec Branch of the Retail Merchants' Association at their banquet held this week at the close of the annual convention of this branch.

Mr. Laffoley commenced by asking the question, "Is there as much prosperity?" and while he did not give a definite negative to the question, he intimated in subsequent discussion of business affairs that prosperity is not as great as some people would have the public believe.

Keen competition in business today has been brought about by the growth of the automobile industry and the attendant deferred payments which prevent people from paying their debts on merchandise they buy, and some new method of distribution must be found, he continued, if those now in business are to remain in it.

Recounting a recent visit to the United States, he said that there the large stores seemed to be prosperous, but the small store owner was not doing so well and found it hard to make a living. "It is the day of the large corporation," he added, "I regret to see the disappearance of the small country store, which was at once the centre of community life and the shopping home of the village people. Its place has been taken by the mail-order catalogue.

"Are our banks altogether blameless for this condition? There is no doubt they helped to bring about the disappearance of the small country store and it is altogether easy for the alien to obtain credit and sometimes too hard for the native. Our country homes must not be waste places where only the mail-order catalogue can find a home."

Past, Present and Future

Important Strike on Dalhousie No. 5 in Turner Valley Field

400 BARRELS A DAY

Calgary Bureau The Financial Times Calgary. — Dalhousie No. 5 the new crude oil gusher in Turner Valley, produced 400 barrels of gravity oil in twenty-four hours. These are not official figures the company declines to make estimate until tests are complete with sufficient tankage. They fairly accurate, however, from checking made by various oil who have visited the well, and it perform, and checked up the in the temporary tankage on ground.

At the present time there is 55-barrel open tank beside the well and another 280-barrel tank by. Both those were filled in 24-hour test, and in addition two barrel truck loads of the high gravity crude oil were hauled into the field. Further, much of the oil lost from the open tank due to force of the gush from the throwing it out on the ground was soaked for many yards around with the light gravity crude.

Workers have already set up 250-barrel tanks which will be for storage, the material for another 300-barrel tank is on the ground being set up, and other tanks on route.

There is no question but that Dalhousie No. 5 well in Turner Valley is the most important strike that has been made in Alberta, was the expression of one man representing one of the big oil companies now operating in Alberta outside of the Imperial, having watched the well perform Monday.

The fact that the well is held for 500 feet above the best said the man, "has an extremely important bearing on its production. There is bound to be some amount of casing, more or less, from open hole, with the force of gushing oil and gas, and this is to partially choke the flow. If inch casing were run to the bottom and set upon the producing there is no doubt in my mind whether that the well would produce a production of 1,000 barrels a day."

New York Curb
Furnished by Jenks, Gawron & Co.

Amer. In. & Trac. 173
Amer. Supp. Power 86
De. B. 264
Anglo Amer. Oil 184
Bonds Corp. 119
R. A. Oil 24
R. A. Tobacco 216
Celanese Inc. 157
Celanese Int. Prof. 157
Consolidated Corp. N. 784
Centrifugal Pump 124
Cons. Gas & El. Balt. 874
Cons. Copper 218
Covell Oil 17
Davies A. 201 1/2
Demolin Stores 79
Durand Mot. 814
Edison El. Illum. (Boston) 244
Elec. Bond & Share 724
Elec. Investors 218
Fairford Sugar 189
Finn. Farmer Cande. Shops 27
Food Met. of Canada 840
Gibson Oil 14
Gillette S. B. 814
Goodrich Tire 218
Gulf Oil 804
Imperial Oil 284
Int'l. Petroleum 284
Int'l. Util. A. 284
Int'l. B. 378
Lehigh Power 15
Middle West Util. Com. 111 1/2
Mountain Producers 234
Mohawk Hudson Power 24
Nipissing 54
Northwestern Power 19
Penn. Water P. Pow. 53
Perrin Pipe Line 178

BRING GUSHER ANOTHER WELL IMPERIAL

Sixty years are but a short space of time in the life of a nation, but in Canada they have been crowded with events which, still within the memory of many people, have altered the entire economic structure of the country. The statesmen of '67 forgot prejudices, party affiliations and local interests in order that a national economic system might be established and the avenue opened to the splendid environment of today.

From a vast expanse of arable land there has been developed an agricultural estate which yields a revenue of about \$1,750,000,000 per annum, and which supports more than 700,000 farmers in a state of well-being that is unsurpassed elsewhere. To-day the Canadian farmer is prosperous. Like his fellow-workers elsewhere, he inherited a wealth of difficulties in the post-war deflationary period, but he worked himself out of depression, and now he commands productive forces limited by the uncertainty of weather conditions. Wherever we have a large body of successful farmers, confident in their strength to meet the severe competitive forces of the present age, we have the cornerstone of prosperity and the foundation of a healthy national life.

Adjacent to our forests several thousand mills have been erected which provide annually lumber worth about \$25,000,000. About 80 per cent. of the lumber used throughout the world is of soft wood, 90 per cent. of which is found in North America, Northern Europe and Siberia. The forests of Russia, Sweden, Norway and Finland furnish a large supply of soft-wood lumber, but further great development is hampered by the lack of transportation and other mechanical equipment necessary for profitable operations. Consequently, North America possesses the forest area of greatest economic value, and nearly half of it is in Canadian territory. If we turn to the pulp and paper industry we find that Canada now contributes nearly 40 per cent. of the world's consumption of newsprint, and that there are still available in larger quantities than elsewhere the raw materials for paper-making, suitable timber and water. It has been estimated that the value of the products of this industry in 1926 was \$225,000,000.

Practically all of Canada's land area is underlain with mineralized rock and earth. In comparatively small sections there are mined most of the nickel and asbestos used throughout the world, gold, silver, copper, lead and zinc from the most notable properties discovered in recent years and coal from seams that comprise 16 per cent. of the world's known reserves. The minerals produced in the last forty years have been valued at over \$4,000,000,000, and the present production is at the rate of about \$250,000,000 annually, nearly double that of the year 1914.

Geologists who have examined Canada's mineral lands expect that deposits, as valuable as those now being worked, will be located in many parts of this mineral field, which extends over more than 3,000,000 square miles. The activity of the mining stock exchanges need not be taken as an indication of the wealth that Canada possesses in minerals. For there are more impressive signs in the successful record of the past, and in the exploration and development now being conducted by more than a score of the world's great mining companies.

Along the seacoasts of Canada lie the fishing grounds that produce the bulk of the sea food distributed in and from North America. The fisheries of these seacoasts, and of our streams and lakes, are probably the most extensive and the most favorably situated of any in the world.

A study of a relief map of the world would reveal not only that half of the fresh water of the globe

BRING GUSHER ANOTHER WELL IMPERIAL

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Centrifugal Pump 124
Cons. Gas & El. Balt. 874
Cons. Copper 218
Covell Oil 17
Davies A. 201 1/2
Demolin Stores 79
Durand Mot. 814
Edison El. Illum. (Boston) 244
Elec. Bond & Share 724
Elec. Investors 218
Fairford Sugar 189
Finn. Farmer Cande. Shops 27
Food Met. of Canada 840
Gibson Oil 14
Gillette S. B. 814
Goodrich Tire 218
Gulf Oil 804
Imperial Oil 284
Int'l. Petroleum 284
Int'l. Util. A. 284
Int'l. B. 378
Lehigh Power 15
Middle West Util. Com. 111 1/2
Mountain Producers 234
Mohawk Hudson Power 24
Nipissing 54
Northwestern Power 19
Penn. Water P. Pow. 53
Perrin Pipe Line 178


KINGSTON MILLS BUSY

Factories on Night Shifts—Extensive Building Plans.

Kingston — Industrially, Kingston is in a healthy condition. Its factories are all in active operation, several of them having night shifts. Their output is readily disposed of. The assessment commissioner is nearing the finish of his work for this year. He reports quite an extensive building programme, and the valuation of property is likely to show an increase of nearly a million dollars. The population will not be largely increased this year, due to unemployment during 1926.

The Financial Times reaches a class of people who are interested and able to buy investment securities.

What have you done to introduce him?



Are the visits of your salesmen preceded by attractive, interesting sales literature describing the value of your goods to your prospective customers?

Or do you leave it to your salesmen to do all the work of creating interest and breaking down sales resistance?

The power of printed salesmanship is immeasurably great.

Your printer can help you. Use him.

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Manufacturers of
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The Spanish River Pulp and Paper Mills Ltd.

SAULT STE. MARIE, CANADA

Manufacturers of News Print Paper



Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

CANADIAN PAPERBOARD COMPANY

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Largest Manufacturers of Paperboards
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MANUFACTURING ALL GRADES OF THE FOLLOWING BOARDS:
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PRUE PRODUCTS

All Lines of White and Gray Cottons, Prints, Sheetings,
Shirtings, Pillow Cottons, Longcloths, Cambrics, Ducks,
Bags, Twills, Drills, Quilts, Bureau Covers, Towels and
Towelings, Yarns, Blankets, Rugs, Twines, Narrow
Fabrics and numerous other lines used by manufacturers
in rubber and other trades.

TORONTO WINNIPEG VANCOUVER

St. Maurice Valley Corporation

SUCCESSORS TO
Belgo-Canadian Paper Company, Limited
Shawinigan Falls, P.Q.

St. Maurice Paper Company, Limited
Three Rivers, P.Q.

Yearly Output - 255,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

SECOND UNIT WESTERN MILL IN OPERATION

Manitoba Pulp Doubles Capacity
of Newsprint
Plant

BIG HYDRO EXPANSION

Winnipeg Electric and City
Hydro Both Adding to Power
Developments—Heavy Pro-
gramme of Building Construc-
tion.

Winnipeg Bureau The Financial Times.
Winnipeg. — In conformity with
their programme the Manitoba Pulp
and Paper Company have put into
operation their second paper ma-
chine, doubling the capacity of their
mill at Pine Falls. In future the
both machines will be in operation
continuously, according to C. C. Ir-
vine, general manager.

Construction activity is now pro-
ceeding rapidly throughout Manito-
ba. The Winnipeg Electric Com-
pany has a million dollar program
to carry out, while the new equip-
ment and extension of the com-
pany's power plant at Great Falls
will involve about \$600,000. In ad-
dition the Winnipeg hydro depart-
ment is spending about a million
dollars on work on its power site on
the Winnipeg river, its new sub-sta-
tion in Winnipeg and other exten-
sions.

Heavy Construction Program.

Throughout the west this year
there is unusual activity in eleva-
tor construction. Six hundred eleva-
tors are now in course of erection
at country points, and it is stated
that the number will not unlikely be
increased to 1,000 before the season
is over. In addition there are the
six huge terminal elevators being
built at the head of the lakes. It is
expected that all told the elevator
construction for the Canadian west
this year will total \$25,000,000.

There is a substantial volume of
road building being carried on, in
Manitoba, the provincial govern-
ment's program calling for the ex-
penditure of \$1,750,000, while an-
other million dollars is being spent
by the rural municipalities. The
Winnipeg city engineer's department
is also spending approximately \$1,
000,000 on its summer program. An-
other \$1,500,000 is being spent in
Manitoba by the Canadian Pacific
and Canadian National Railways on
extensions and improvements to
their respective telegraphic serv-
ices.

The constructional activity as a
whole is resulting in a considerable
movement in real estate in which
Winnipeg is figuring most promi-
nently.

NEW RECORD FOR MILL EFFICIENCY

Figures reproduced in The Broken
Hurtle, house organ of the Abitibi
Pulp and Paper Company, indicate
that there is no sign of slackening
in the efficiency of the mill at Iro-
quois Falls, which has become a by-
word in the newsprint industry for
smooth working and efficient oper-
ation. In the current issue of the
house organ, the following comment
on operating results at the mill ap-
peared:

"The paper mill gave the daily re-
cord production a boost on June 28,
when they made 566.46 tons as
against the previous highest of
566.33 tons which was done on June
15. It isn't much of an increase,
but shows that the efficiency of the
mill is not standing still, but is im-
proving constantly.

"The paper mill operating effi-
ciency for the week ending July 3
was as follows:

Paper machine No. 1	94.7
Do. No. 2	92.9
Do. No. 3	89.9
Do. No. 4	90.2
Do. No. 5	90.8
Do. No. 6	93.1
Do. No. 7	86.0
Average	91.4

Plant Expansion Beaver Cove Mills

Vancouver.—With a view to en-
larging the present pulp plant at
Beaver Cove, a firm of engineers
has been engaged by the Canadian
Forest Products, Limited, to make a
complete survey of the water power
situation at Nimpkish River. An-
nouncement to that effect was made
at the annual meeting of the com-
pany.

It was stated that development
work and extensions of plant would
be undertaken at Beaver Cove short-
ly, the proposal being to expend
from \$10,000,000 to \$15,000,000 in
the development of a large pulp and
paper mill. The results of the sur-
vey will decide that point.

Good Progress On New Western Lines

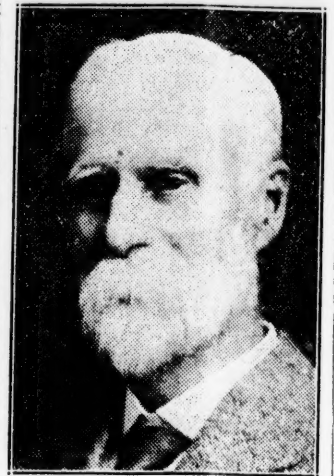
Winnipeg.—Excellent progress is
being made with the branch-line pro-
gramme projected by the Canadian
Pacific Railway for the three Prairie
Provinces this season, according to
D. C. Coleman, vice-president in
charge of western lines.

The work of construction, he said,
is progressing rapidly and every ef-
fort is being made to have the new
lines in operation by the time the
fall crop movement begins. Keeping
pace with the rising tide of land set-
tlement the company expects to
open the line from Lloydminster to
Clan Donald on July 15. This
branch is of particular interest as it
serves the colony of Hebrideans lo-
cated in the Clan Donald district.
These settlers are doing remarkably
well and have forty per cent. of their
land broken.

Other branch lines throughout the
west are expected to increase pro-
duction in their respective sectors.

The Personal Touch

James R. Walker, president of the
Back River Power Co., Ltd., Mont-
real, whose company recently be-
gan preliminary active work on the
construction of a great dam and
power generating plant on the Back



JAMES R. WALKER.

River to cost approximately \$10-
000,000.

Mr. Walker is president of J. R.
Walker & Co., Ltd.; South Shore
Lumber Co.; Gambo Lumber Co.;
St. Lambert Securities Corp.; Mont-
real Blanket Co.; vice-president,
Paper Board Co.; and a director of
Blaklock Bros., Ltd.

W. T. Geddes Grant, of Trinidad,
B.W.I., governing director of T.
Geddes Grant, Ltd., recently arrived
in Saint John on his way home from
his annual business trip to the Do-
minion. His firm, he says, does
business with thirty-seven Canadian
firms. He has been to Toronto,
Montreal, etc.

James Y. Murdoch, president of
Noranda Mines, Limited, which oc-
cupies such a large place in the
Quebec mining picture at the pres-
ent time, is also president of Horne
Copper Corporation, Limited, and
Goldale Mines, Limited, vice-presi-
dent of Tough-Oakes-Burnside
Mines, Limited, and director of Co-
linarium Mines, Limited. His promi-
nence in the mining field brings
him into close touch with the needs
of the industry, and he is a director
of the Ontario Mining Association.
He is a barrister by profession, and
is a member of the firm of Holden
& Murdoch.

C. L. Weldon, the new manager of
the Macdonald Hotel of the Cana-
dian National chain, at Edmonton,
is a former Montrealeur, for some
time associated with the Mount Royal
Hotel. He has recently been as-
sistant manager of Jasper Park
Lodge.

The new manager has been with
the Canadian National since last
year, and before coming to Montreal
was with the Benjamin-Franklin,
Philadelphia; and the Brooke-Cadil-
lac, Detroit.

L. W. Simms, president of T. S.
Simms & Co., Limited, Saint John,
has returned from a visit to Eng-
land and Belgium. In the latter
place he attended a meeting of the
World's Sunday-School Alliance and
in England he had a conference with
financial men. He took up with
A. F. Fitch, in London, the matter of
the British-Canadian Packing Com-
pany here, and Mr. Simms said that
he intimated that connections be-
tween the local plant and the inter-
ests of Mr. Fitch might be made in
the near future. Mr. Simms says
he found business conditions in
England, in general, greatly improv-
ed and that business men were be-
coming more optimistic.

A. E. Duncanson, of Duncanson,
White & Company, invest-
ment brokers, Toronto, who was re-
cently elected a member of the Mont-
real Stock Exchange, is a member



A. E. DUNCANSON.

of Toronto Stock Exchange, Mont-
real Curb Market, and associate
member of the New York Curb Mar-
ket.

Big Things In Big Way.

Canada Cement Magazine.

The International Paper
Company is setting new re-
cords in Canada for construc-
tion progress with no attempt
to dramatize the story. With
the able assistance of Fraser
Brace Limited, they have built
enormous dams, power houses
and pulp mills in an unbelieve-
ably short time. Approximately
750,000 cubic yards of con-
crete went into the several
undertakings of this Company
in Canada during the year
1926. No other individual,
corporation, or government has
as yet approached those fig-
ures in the same length of
time. Almost inaccessible sites,
winter snows, sub-zero weath-
er have been considered as
only ordinary construction dif-
ficulties to be overcome.

NEW INTERESTS FOR E. STEEL PRODUCTS

Playfair and Products Buy Into
Company—No Change in
Management.

Announcement is made that the
Eastern Steel Products, Limited, will
in future operate the business of the
Metal Shingle and Siding Company,
Limited, and will have plants at
Preston, Montreal and Toronto.
The change in name does not mean
change in management. Cyrus
Dolph, who founded and organized
the Metal Shingle and Siding Co.,
Ltd., in 1897, will continue to act as
president of the new company, East-
ern Steel Products, Limited. A. K.
Cameron, vice-president, who open-
ed the Montreal plant in 1936, and
has had personal charge of it during
the intervening years, will be vice-
president and general manager of
the new company. J. G. Lorrimer,
who has been with the company for
many years, will continue as man-
ager of the Preston plant, and W. S.
Cameron will have charge of the To-
ronto subsidiary, the A. B. Ormsby
Co., Limited.

James Playfair, of Midland, has
taken a substantial interest in
the new company and will act on the
board. In addition, Frank M. Ross,
president, Montreal Dry Docks Com-
pany, Limited, Montreal, and Harold
A. Greene, president Bankers Bond
Company, Limited, Toronto; both
close associates of Mr. Playfair, will
also be on the board of directors.

The full board will be Cyrus
Dolph, Preston; A. K. Cameron,
Montreal; James Playfair, Midland;
Frank M. Ross, Montreal; Harold A.
Greene, Toronto.

SMELTERS TO ADD TO POWER PLANT

In furtherance of their policy to
provide against any loss from power
shortage, the Consolidated Mining &
Smelting Company will commence
shortly the construction of a new
unit for their auxiliary steam plant
at Kimberley.

It is planned to about double the
present capacity of about four
thousand horse-power. Four new
boilers and two steam turbines will
be installed for this purpose.

TIMBER LIMITS FOR FRASER CO.

Acquire Holdings of Richards
Manufacturing Co. in
New Brunswick

Saint John Bureau The Financial Times.

Saint John, N. B.—Announcement
is made that the Fraser Company,
Ltd., N.B., has acquired the inter-
ests of the Richards Manufacturing
Company consisting of some 496
square miles of Crown lands in New
Brunswick, on lease. While full de-
tails have not been set forth, con-
firmation of the deal, in general,
has been made by the manager of
the Richards Company.

This company, in 1926, were the
second largest payers of stumpage
fees in New Brunswick, with a total
of \$76,458.83, the payments of the
Fraser Company on this score being
\$83,836. The Richards Company op-
erates in the northern part of the
province. Four or five years ago
the Fraser Company acquired the
interests of the Stetson-Cutler Com-
pany, Ltd., which operated in the
northern New Brunswick with saw
mills, lumber mills, etc., and inter-
ests on the Saint John River.

On the occasion of his recent visit
to Saint John, Howard E. Bredy,
vice-president of the Nashwaak Pulp
and Paper Company, with a mill op-
erating here, said that competi-
tion to-day is so keen in the pulp
market that it is absolutely essen-
tial to operate on the most efficient
basis possible. The output of sul-
phite here is almost entirely ab-
sorbed in the United States in com-
petition with increasing shipments
from Scandinavia.

In order to operate as closely as
possible, the local mill is being
equipped with a powdered fuel plant
containing the most modern devices
in this line. The new plant is being
installed by the Combustion Engi-
neering Co. of Montreal, and is to be
completed by November 1st, the
schedule being so arranged as not to
interfere with the regular output of
the mill in the course of the instal-
lation.

DEAL FOR PAPER MILL IS ALMOST COMPLETED

Negotiations For Taking Over of
Newfoundland Pulp Nearing
Fruition.

St. John's, Nfld.—Premier Mon-
roon informed the Legislature today
that negotiations with the Inter-
national Paper Co. of New York for
the purchase of the great paper plant
on the west coast of Newfoundland
were practically completed. He said
he hoped that a bill authorizing the
sale would be introduced next week.

Only one important question re-
mains to be settled, the Premier said,
that being whether the company will
pay income tax on profits or royalti-
es on its output.

The purchase of the mills by the
International will be the first large
scale invasion of the Newfoundland
pulp and paper field by American in-
terests. The mills were built by
British and Newfoundland interests
guaranteed by the governments of
the Colony and Great Britain.

Abitibi Power & Paper Co., Limited

IROQUOIS FALLS, ONTARIO



NEWSPRINT

Ground Wood Pulp

Sulphite Pulp

FRASER COMPANIES LIMITED

LUMBER

Bleached Sulphite Pulp

Cable Address: "Fraser."

Codes:—A. B. C., 4th & 5th Edition; ZEBRA; Western Union.

EDMUNDSTON, N.B.

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General Offices: CHICOUTIMI, P.Q.

MANUFACTURERS OF
GROUNDWOOD PULP

MILLS:
VAL JALBERT, P.Q.
CHICOUTIMI, P.Q.



CABLE ADDRESS:
"SAGUENAY,
CHICOUTIMI"

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P. O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS:
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and Winnipeg.
Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina,
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freight, for hotel comfort, for prompt dispatch
and delivery of telegrams trust to

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FACTORY:
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201 INSPECTOR ST., MONTREAL, QUE.

The Financial Times

Published Every Friday at 333 Craig Street West, Montreal, by The Montreal Financial Times Publishing Company, Limited.

R. EMMET COX President
DAVID BURNSIDE General Manager

J. W. TYSON Managing Editor
BERNARD K. SANDWELL, F.R.S.C. Contributing Editor

SUBSCRIPTION PRICE: In Canada, \$3.00 a year; \$1.75 for six months. In Great Britain 12s. a year; 7s. for six months. In the United States, \$3.50 a year; \$2.00 for six months.

ADVERTISING Rate Cards on application at all our offices or from any responsible Advertising Agency. CABLE ADDRESS: "Fintimes"; W. U. Code. HEAD OFFICE: Montreal, Lancaster 0281. All Departments.

TORONTO OFFICE: 6 Jordan Street, Representatives, R. V. Rittenberg, Phone, Elgin 2465-6.

WESTERN REPRESENTATIVE: Geo. D. Gittus, 143 Vancouver Hotel, Vancouver, B.C.

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Devoted to the interests of the investing public in the belief that the confidence of capital is essential to the stability of finance, the prosperity of industry and the development of our resources.

MONTREAL, FRIDAY, 15 JULY, 1927.

Quality Versus Sentiment

WHEN the Industrial Development Board of Manitoba launched its "Made-in-Manitoba" campaign for the encouragement of manufacturing within the province, it was realized that, as these products were sold all over Western Canada, the "Made-in-Manitoba" slogan would not have a great appeal to the people of Saskatchewan, Alberta and British Columbia, unless backed by quality and value. It was decided to make the appeal for public support from the standpoint of quality. A trade mark adopted as a guarantee of quality to the people all over Western Canada. The use of this seal of approval is tending to raise the standard of Manitoba manufacture.

Care is taken that Manitoba's seal of approval is only placed on goods of the highest standing. In order to fix a standard of quality the advice and assistance of a reputable firm of analytical chemists have been secured. Manufacturers' products are tested to find out if they come up to the required standards and are entitled to the use of the seal of approval. The technical advisers submit their report to the Industrial Development Board and its decision is final without the option of an appeal to any other body.

The Industrial Development Board of Manitoba is to be congratulated on the good sense and good judgment displayed in its campaign to secure larger markets on the basis of quality. Had the "Made-in-Manitoba" campaign been attended by similar safeguards in the public interest it would probably have been much more successful than as a mere appeal to patriotic sentiment.

Good-Will Advertising

SOMUCH is heard about Canada's wonderful natural resources that perhaps too little is said about the industries which turn the raw materials into finished products and without which the resources themselves would have comparatively little value. To give the Canadian people a better idea what big business is doing is the purpose of an intelligent publicity campaign being directed by the Canadian General Electric Company. In the forward in connection with the company's campaign President D. C. Durland says:

"The story of the great industries of the country is of vital and personal interest to every Canadian, but is often overlooked by the public and frequently by the industrial organizations themselves.

"Yet the progress and prosperity of the nation literally hinges upon its basic industries. The development of natural resources, the upbuilding of cities and towns, the international status of the country, even the welfare of the individual, all depend to a large extent upon the great industrial and commercial enterprises within the nation's borders.

"It may be stated without fear of contradiction that electricity has contributed more largely than any other single factor to the development of Canada's natural resources, to the progress of practically every branch of Canadian industry and to the comfortable living conditions of every Canadian citizen.

"The Canadian General Electric Company, Limited, deems it a privilege and responsibility to assist so materially in promoting Canada's welfare and progress through its activities in the development and application of electrical power and light which are essential to the national, industrial and individual life of the Dominion."

Educating the public to the advantages of big business is a policy which is to-day a marked contrast to the "to hell with the public" for which big business was, deservedly or undeservedly, given credit a few years ago. Certainly, much has been done and is being done through publicity of this kind to give the people a proper appreciation of the public service rendered by private corporations.

The Plight of the Buyer

ECONOMISTS are fond of discussing the subject of advertising, or rather of salesmanship, of which advertising is merely a particular and not very clearly differentiated process. The latest book on the subject, which is an American work by Stuart Chase and F. J. Schlink, entitled "Your Money's Worth", consists in the main in an elaboration of the truthful complaint that while the act of selling is now performed with the most exquisite scientific skill by large and experienced organizations of brains and capital, the act of buying (that is, the final purchase by the ultimate consumer, of which all other buying, by retailer, wholesaler, manufacturer, is merely an anticipation) is still, as much as it ever was, the act of a single and probably not very expert person. They appear to conclude from this that the buyer gets the small end of the stick, or at least receives a great deal less value than he might receive, in a rather large percentage of cases; and they argue that advertising should be less persuasive and more informative, in order that it may contribute to the buyer's education.

Advertising is an extremely expensive business, and is of value to the advertiser (who pays for it) precisely in proportion to its persuasiveness. We cannot, therefore, see much hope of its ever being employed for purely educational and informative purposes for the benefit of the buyer, who does not pay for it. The true line of defence for the buyer would seem to be through the organization of consumers' leagues and other forms of association, which would place at the disposal of the individual the knowledge, experience and investigating power of large numbers of his fellows. In the meanwhile we question greatly whether the situation of the buyer assuming that we have a moderate amount of intelligence, is really as bad as Messrs. Chase and Schlink represent. The one powerful safeguarding factor, for which critics of advertising make too little allowance, is the fact that the great majority

of advertisers are aiming at a permanent business. In other words the object of their advertising, while still wholly persuasive, is not merely to persuade the buyer to perform a single act of purchase; it is rather to enlist him as a member of a more or less permanent clientele. To do this it is necessary not alone to persuade him but also to satisfy him. There is and there can be no guarantee of the truthfulness of an advertisement which begins to approach in value the guarantee afforded by the stability of the advertiser. And the only type of advertising which systematically leads to a loss for the buyer of the advertised article is that which aims only at a single transaction. If buyers would bear this fact in mind, especially when purchasing securities, they would avoid a great deal of disappointment.

One of the most serious of the buyer's disabilities, especially in these days when so many people have a much greater purchasing power than they or the people with whom they associate have ever before, is the fact that he does not know what he wants himself. This is a condition which becomes ever more perplexing with the steadily increasing variety of the objects which present themselves for purchase. Nothing will cure it except experience, which must often be the result of disappointment—of finding out that the things upon which one has spent money are things which give no satisfaction. A community which lives near the bare subsistence level has no such perplexities. A wealthy community such as the population of the North American continent, is bound to have a great many of them. They come to us not because we have advertisers but because we have wealth. And we do not think it can be denied that advertising has been a great help in teaching us how to employ our surplus wealth with fairly good effect.

The Miner Leads the Way

WITH the completion of the Rouyn branch of the Canadian National Railways it is already evident that developments in northwestern Quebec will be greatly accelerated—and these developments are by no means confined to mining. This section of the Province of Quebec is affording yet another illustration of the very important part mining plays in the colonization of outlying and sparsely populated parts of the country, says the Canadian Mining and Metallurgical Bulletin.

W. D. Robb, vice-president of the Canadian National Railways, was much impressed with this phase of the situation on his trip of inspection over the new branch line. It is not only prospectors and miners who are flocking into the country. They have been closely followed by settlers on the land. In an interview, Mr. Robb stated: "There has been a noticeable increase in the agricultural communities, with more land under cultivation and a greater harvest of field crops. The parishes from Senterre to Cochrane all show greater population and larger harvests. The largest crop is in oats and hay, with a considerable proportion of potatoes. What is striking is an appreciable increase in the number of horses and head of cattle."

Polite Letters

SHOULD a government be polite? To this question, which is being raised in the United States as a result of certain letters sent out by Federal Commissioners of Internal Revenue, it seems to be necessary to answer that there are two kinds of politeness, one consisting in the manner of the performing of a necessary act, the other in the performance of an act which is not necessary at all. A government is obliged to perform many acts in relation to its own citizens, and it would seem highly desirable that in the performing of them it should, through its officials, employ all the reasonable delicacies of politeness which the acts themselves appear to call for. If it has to tell us to keep off the grass it may perhaps do so with a categorical imperative; the word "please" as part of a keep-off-the-grass sign has many advocates, but has always appeared to us to imply a freedom of choice on the part of the citizen such as no sovereign authority can afford to allow when it definitely wants to have something done. But it will be generally admitted that not even the most sovereign of authorities should address its subjects, either in print or by the mouths of its officials, in any such language as "Get to hell off this grass!"

The Revenue Commissioners in question have, however, been going far beyond the limits of class one in the above schedule of the forms of governmental politeness. They have been sending out letters to persons who have filed income tax returns, informing them that the return "has been examined and is considered to be correct as submitted," and going on in another paragraph to observe that "the Commissioner reserves the right to reopen the case". It is, of course, nice to know that one's income tax return is considered to be correct, even if the assurance is accompanied by the news that the government reserves the right to find it incorrect whenever it feels like doing so. But letters of this kind cost money, which has to be provided by the taxpayers, who are the people to whom the letters are addressed. They probably cost anywhere from ten to twenty-five cents each, according to the efficiency of the office staff. Would it not be better to refrain from sending them except to those who desire them and are willing to add the necessary sums to their income tax payments? The thing could easily be done by appending to the income tax schedule a line reading: "Extra fee for polite letters from Commissioner of Internal Revenue (optional) one dollar per letter."

Coupons

It is imperative that Montreal's interests in any expropriation of the Water and Power Company should be effectively represented if the danger of paying even more than the \$14,000,000 fixed in the original deal is to be safeguarded against.

A golf ball manufacturer advertises a new sphere guaranteed to stand the racket for 72 holes. What most of us would rather have would be a guarantee against loss of the ball for even a fraction of that many holes.

The Manitoba Free Press refers to "the gouging of the public on certain occasions by industries that were heavily protected," as an argument against tariff protection. Particulars of specific instances would be helpful in correcting such a situation which, if it exists, is not in the interests of Canadian industry any more than it is in the interests of the Canadian public.

The Canadian National Railways system is arranging for a party of more than one hundred Canadian farmers to leave Halifax January 8, to study marketing conditions in Great Britain and on the continent. A splendid idea. The more our farmers or our manufacturers can learn of methods employed in other countries the better they will be equipped to solve the problems which must be faced at home.

J.K. Cornwall, Uncrowned King of the Empire of the Mackenzie

Written for The Financial Times by P. O'FARRELL.

IT is on or beyond the frontier that pioneers and empire builders are generally to be met. Only when ill health drove Cecil Rhodes into the wilderness did the chance come to him to remake the map of Africa and add immensely to the wealth of the Empire and the progress of the world.

By gridironing Canada with steel and creating a vast system of transportation circling the globe, Van Horne and Shushnessy did more for the Empire and for humanity than all the British statesmen of the nineteenth century. The pioneers who ran out the great railroads beyond the Rocky Mountains to give transportation to the forests, mines, lands and fisheries of the Golden West did more for the civilization and progress of the world than all the kings and statesmen that have lived since Isabella of Castile financed the discovery of the western world.

Europe's outstanding problem is, how to transplant its surplus tens of millions to new geographical areas where opportunity for work, homes, happiness and fortune awaits them.

One hundred millions of the white race in Europe are ill clad and underfed. They are eating out their hearts and lives in idleness and in unsanitary homes, while employment and opportunity in the new world go a begging.

The conquest of a wilderness and its transformation into a Commonwealth of free, prosperous and law-abiding citizens is a more glorious achievement than Lepanto, Waterloo or Trafalgar.

Such are the conquests which the pioneers and empire builders of Canada and the United States have been achieving for a hundred years. And greater conquests are on the way. The great rivers of the continent must be canalized and immense new lakes must be created to save the rainfall for seasonal precipitation and thus to reduce the cost of transport and to provide low cost hydro-electric current. Forest areas must be replanted, great motor highways constructed and new lines of railroads run out to tap fresh sources of wealth and commerce.

It is hardly too much to say that the salvation and reconstruction of Europe depend, to a large extent, on the speed with which its surplus population can be transplanted and employed in industrial and agricultural pursuits in the new overseas territories.

Buying Power of the West.

The purchasing power of new territories that are being colonized and developed far exceeds that of old and wealthy countries. The United States and Canada purchase more goods, build more highways, erect more new homes and buildings and buy more transport than all the other nations of the earth combined. Ten millions in Canada buy more foreign goods than 350,000,000 in India or 450,000,000 in China.

Australia's six million people import more foreign goods than Spain's 12,000,000. Canada's imports of manufactured or partially manufactured goods are greater than the imports of the manufactured goods bought by 100,000,000 white people dwelling along the shores of the Mediterranean. Thus, the new world is undergoing a process of colonization and expansion are ten fold better customers for the finished products of the old world than the adjoining nations.

The transplanted millions relieve the labor situation at home, increase the home country's trade and, more often than not, add to the financial resources of the Motherland.

Exiles remittances in Europe from the United States are estimated at \$200,000,000 a year, and American travellers and tourists spend \$700,000,000 yearly in Europe. Thus remittances for exiles and for tourists and travellers exceed the interest on all America's government and commercial loans to Europe.

Before this century ends Canada should have a population equal to that of America's to-day. Canada can provide for a billion more people than France can provide for a population of 40,000,000. Canada's financial machinery and resources excel those of any other country and the Dominion is perfectly well able to finance the development that must follow from the flood of immigration rolling to its shores.

But the United States is deeply and intimately linked with Canadian development and colonization. Its investments in Canada exceed three billion dollars and it has more and more billions looking for investment there and tens of thousands of its farm population are selling their holdings in the United States to acquire homesteads and farms in Canada.

Transplanting the Masses.

Transplanting tens of millions from the congested nations of the

old world to productive virgin areas in the new is a problem for finance and statesmanship. It is also a task that requires international co-operation. Australia is far better suited to Latin races than to Norse, Goth or British, while Norse, Slav and Goth find Canada more congenial than South America or Australasia.

The nations of the old world found a way to finance the great war. More than twenty-fold the whole gold supply of the world was wasted in that insane conflict. Half that sum employed in economic colonization of suitable areas beyond the seas and in developing the natural resources of the new countries would double the commerce of the world and recover all the capital losses of the great war.

Cornwall the Picturesque.

Among the pioneers of the Canadian Northwest none has had a more romantic or picturesque career than Colonel J. K. Cornwall. He is still in his prime of life in spite of thirty years exploring, trading and building beyond the confines of civilization. Two years in the trenches in the Tyres Salient where he commanded a battalion of heroic western Canadians was the only interruption in his pioneer activities. It is one hundred and thirty-four years since Alexander Mackenzie discovered the great river which bears his name, but for a hundred years the valley drained by the Mackenzie and its affluents remained in the wilderness. Missionaries, fur traders, trappers and Indians were its only inhabitants. When the iron horse of civilization reached the Athabasca sixteen years ago the exploitation of this potential empire began.

Colonel "JIM," as Indians, scouts and missionaries call him, had already explored the three thousand miles of navigable waters of the Mackenzie. He built and operated boats, barges and steamships on the Athabasca, the Peace and the Mackenzie and the Provinces of Alberta and Saskatchewan were organized, and he welcomed the advent of the railroads with enthusiasm.

Multitudinous lakes are characteristic of the Mackenzie country. Great Bear Lake covers an area greater than Switzerland. Great Slave Lake is of greater extent than Belgium, and Athabasca Lake covers a greater area than the State of Massachusetts, and all these lakes teem with the finest fish to be had on the continent.

The Mackenzie region is closer to the Pacific than Germany is to the Atlantic. Hence, its climate is similar to that of Germany, and its winter is milder than that of Manitoba, Quebec, or the State of Maine.

The Empire of the Mackenzie

The Clearwater, the Athabasca, the Peace and the Liard are its principal tributaries. The Peace, greater in extent than the Rhine, with only one rapids obstructing navigation along this noble river for a thousand miles. A few canals developing hydro-electric power, and creating new lakes along the Pacific would enormously help the transportation facilities which this river affords.

A great dam at Fort McMurray could develop 500,000 H.P. of hydro-electric energy and create a lake 100 miles long on the Athabasca.

Fort McMurray, where the Clearwater and the Athabasca meet, is the most ideal location in North America for a great pulp, paper and lumber industry. A thousand miles of waterways run through the finest spruce forests and they can be logged cheaply and floated down to Fort McMurray.

It is standing on the banks of the Peace or the Athabasca or strolling along the Clearwater that Jim Cornwall loves to talk of the beauty, wealth and future greatness of this potential empire of the Mackenzie.

"I have claimed again and again," said Colonel Cornwall, "that the Mackenzie is an empire in the making. My friend, Bishop Grouard, who has lived here for sixty years and has travelled over every trail and waterway between Jasper Park and the Arctic, asserts it is the best place in all the world to live."

"Bishop Grouard was a missionary among the Indians for twenty years before the white man came in any numbers and he built schools, churches and hospitals for the Indians before Ottawa discovered there were any Indians left."

"The Ottawa is only a step-mother to the Red man of the far Northwest. By an old ukase of the White Father the Indian trapper must now pay a royalty to the Crown for every lynx, mink, fox or muskrat he traps in a country where everything belonged to him sixty years ago."

Room For Millions.

"Meanwhile, there is room and opportunity for one hundred million people in this incipient empire of the Mackenzie. No step-mother

government can permanently halt its march to a supreme place in the economic life of the Dominion."

"In the country drained by the Peace and its affluents are 30,000,000 acres that will yield the finest quality of wheat."

"In 1876, at the Philadelphia Exhibition, wheat grown by the Oblates on the shores of Lake Athabasca carried off the prize for first quality. In 1893, at the Chicago Exhibition, wheat grown at Vermillion on the Peace River excelled all others, and in 1926, at Chicago, wheat grown in the Peace Country was again supreme."

"This is not fiction, but fact. In quantity as well as in quality our fields excel. They yield forty, fifty, sixty and even seventy bushels to the acre."

"When Great Slave Lake is linked by rail with the nearest seaport on the Pacific, the lands drained by the Peace will export 300,000,000 bushels of wheat yearly and simultaneously more beef, pork, dairy and poultry products than other regions of like area of the earth's surface. The reason for this is, that here in this far Northwest is the richest soil on the continent. Here also is more summer sunshine and more seasonal precipitation than any other agricultural region enjoys."

"It is to be regretted," continued the Colonel, "that when Sir Wilfrid Laurier created the two new Commonwealths, Alberta and Saskatchewan, he did not make another and call it, The Mackenzie. The country drained by the Mackenzie is greater in area than France, England and Germany combined; part is annexed to Alberta and part to Saskatchewan."

"For reasons of finance, geography, economics and transportation the Mackenzie Country should have been made a separate Commonwealth. Its supplies of coal, copper, lead, iron, gypsum, sodium chloride, porcelain clays, water power, pulp wood and lumber are inexhaustible. One hundred million barrels of oil are locked up in its tar sands and in the residue is enough asphalt to pave all the highways of the earth."

"No pastures excel those of the Mackenzie. Its cattle and horses are the best and the furs the finest produced. The fisheries of our inland seas are the most prolific in the world, although woefully handicapped for lack of transport by land and water."

Still in Virgin State

"No government has ever appropriated a dollar for the improvement of our three thousand miles of inland water transport. When logs and ice jams form sand banks in the rivers, our barges, boats and steamships lose weeks of precious time removing obstructions or making new channels."

"The Mackenzie, the Peace and the Athabasca should be provided with dredges to keep the channels of navigation in first class shape."

"Between Lake Athabasca and Great Slave Lake are sixteen miles of rapids. The river falls 125 feet and a canal which could develop 500,000 h.p. of hydro-electric current should be built to overcome the rapids. A second canal to obviate the rapids on the Peace, fifty miles east of Vermillion, is also required. Were these canals built and dredges available to keep the channels free from ice and log jams, there would be uninterrupted navigation from British Columbia down the Mackenzie to the Arctic Ocean."

"The government, which is so lavish in its appropriations for river and harbor improvements at Hudson's Bay, has neither time nor money to devote to the most beautiful and most extensive waterways in North America. If these waterways were improved ships could ply between Hudson Hope in the heart of the Rocky Mountains via the Peace, the Mackenzie and the Arctic to Vancouver."

"While improving water transport, two or three million horse power of hydro-electric current could be developed, making straight the way for big industrial enterprise."

"A railway, 400 miles long, from Great Slave Lake to connect with the Edmonton and Dunvegin Railway on Peace River is imperatively needed. That railway will tap the richest grain, arden lands and pastures of North America."

"During the summer months trainloads of the finest trout and white fish can be harvested and shipped to Chicago and eastern points just as soon as this railway is completed to connect with the Edmonton and Dunvegin."

"It is not necessary to refer to the vast mineral, forest and chemical resources of this country. I wish, however, to emphasize that in this incipient empire of the Mackenzie there is ample room and opportunity for all the people of Italy and the British Isles."

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Inside Stories of the Street

The Street has been very quick to show its appreciation of the constructive work being done by Noah Timmins in connection with various mining enterprises. For the last quarter of a century Mr. Timmins has been closely identified with some of the best properties in the leading camps of the country.

In the early days he was in touch with La Rose, which had the silver sidewalk at Cobalt. When the Porcupine district opened Mr. Timmins loomed up as one of the most important factors in the whole camp, due to his activities in Hollinger and since that time it has become the greatest gold property Canada has ever known.

Azain, when interest awakened in the Rouyn camp in Northern Quebec, Mr. Timmins was busy from the outset and some of the claims he had secured afterwards were included in the properties now being developed by Noranda Mines, as also the Waltham, Montgomery and Alderson-Mackay mines.

The mining game has always had a special attraction for him and what he seems to enjoy most is the development of a camp that will in time become a factor in the opening up of a new section of the country.

Everywhere in the automobile world unusual attention is being paid to the endeavor CAN HE that Henry Ford is going to make during the coming fall season to re-establish himself as a leader in the industry, with a new type of car. It has been intimated that he has set aside an appropriation of as high as \$15,000,000 to advertise the new motor he will put on the market. Leaders in other companies, however, are very skeptical as to his

ability to again be anything like the factor in the field that he was some years ago, when the old Ford was in demand all over the world. They reason that unless he has something that is entirely different from any other standard car he will simply have to meet the competition of a number of other manufacturers who have already found it possible to market their output of cars. On this account, he will be facing an entirely different set of conditions than those which prevailed when the old "Lizzie" was by-word in every section of the country, where people wanted to own some sort of car or other.

The United States market, however, has always shown itself most responsive to advertising and \$15,000,000 may be the means of converting many people to the attractiveness of the new type that the Ford engineers have been working on.

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GOOD PROMISE OF SUCCESS AT MANY PROPERTIES HERE

Other Mines Besides Noranda Have Prospects for Production

FINDS AT AMULET
Abana Pursuing Aggressive Development Policy and is Meeting With Good Results

Because of the rapid and sensational developments at Noranda, this property is thought of when North-western Quebec is mentioned. The recent acquisition of the Waite-Montgomery and its heavy interest in Alderson-Mackay has further strengthened its position in relation to the camp. Important developments have occurred this year, however, at many other properties, and not a few are graduating from prospects to the status of mines.

Amulet and Abana.
Amulet has been in the limelight following the series of discoveries in the western section of the property, and the results of aggressive diamond drilling. This is in addition to the considerable volume of good grade ore developed from the shaft in the main workings. It is estimated that at least 400,000 tons of ore have been put in sight on this property. Taking average values conservatively at \$25 per ton, this would represent physical resources to the value of \$10,000,000. Amulet undoubtedly is now a mine of importance.

Favorable results had been obtained in shaft sinking at Abana Mines, but due to strife on the old board, operations were held up. The election of a new, harmonious board earlier this year was followed by further sinking and recently a station was built at 200 feet and the shaft is now well towards 300 feet. After a station has been built there, the three horizons, 100, 200 and 300 feet, will be developed laterally. In building the station at a 16 foot high grade ore body was encountered, compared with 12 feet of high grade at 100 feet. This is the first of a series of four ore bodies exposed on the surface, all of which will be developed underground at an early date.

Jay Copper has its shaft down to 325 feet, making the third level to be opened. Excellent ore has been encountered at the three levels. Surface showings of this property are very impressive and there are evidences that values also persist at depth.

Noranda Goes Deeper.
The finding of good ore at the first level of Ribazo Mines is another important development. Ribazo is south of Amulet but in the same section and adds to the potentialities of the area in proximity to the junction of the four townships, Rouyn, Boischatel, Duprat and Dufresnoy. Ribazo has numerous surface showings, four of which have attracted special notice.

The deepest workings of the camp are on Noranda, where shaft-sinking will have reached 600 feet soon. There is every indication that the second three levels will prove as rich as the first three levels, in which case the limited section of the Horne property developed will have in excess of \$50,000,000 in ore reserves. Recent surface developments and drill results indicate that good ore underlies most of the Horne property.

GOOD PROGRESS IS MADE BY BIDGOOD

The secretary of Bidgood Consolidated Mines in a progress report to shareholders states that since April 9 the plant and equipment and buildings have all been thoroughly overhauled, and are in good condition. The mine has been completely dewatered, and as the shaft is 610 feet deep and there is 4,700 feet of lateral work, this involved a great deal of work.

"Since reopening," the report says, "we have completed 1,057 feet of diamond drilling, part of which was on the surface, and cut what is known as the blue vein. The hole showed a strong break, and cut approximately 75 feet of quartz in red feldspar porphyry well mineralized. Additional surface work will be done in connection with this break."

"Diamond drilling is also being carried out from the 600 ft. level to cut veins found on the surface on the west side of Mud Lake, and work is also about to be undertaken on the 300 ft. and 400 ft. levels in sections which have shown over a length of about 25 ft. of quartz." "A complete geological survey of the properties has been completed and shows the largest mass of porphyry in existence outside of the producing mines of Kirkland Lake."

Favorable Showings At Marriott Property

E. E. Hampson, of the firm of Plant & Hampson, Limited, Ottawa, has just returned from a visit to Marriott Mines, Limited, and reports very favorable progress. Several hundred feet of trenching and stripping have been done and test pits have been sunk, one of these down approximately twenty feet and is ap-

proximately fifteen feet square. This shows massive chalcopryrite which runs approximately 30% copper with gold and silver. The diamond drill has been set up and is working with a view to locating this ore body at depth.

Approximately five hundred feet along the shore from the big test pit another excellent showing of chalcopryrite has been discovered and further work is being carried on in this area now.

The results of the diamond drilling are being awaited very eagerly and from the developments to date it is expected that the next few months will show conclusively that Marriott Mines is a very large property in the making.

KEELEY SILVER REDUCES OUTPUT

June Production Shown Substantially Lower Than That For Previous Months

Production of Keeley Silver Mines for the month of June amounted to 101,339 ounces of silver and 10,531 pounds of cobalt, according to official figures made available this week. This is considerably below the output of previous months this year, and is in line with the plans of the management to reduce output, in order to conserve physical assets for a time when silver values will recover closer to normal.

For the first five months of the fiscal year production has been 472,615 ounces of silver and 42,445 pounds of cobalt. Following are monthly figures:

	Silver Ozs.	Cobalt Lbs.
March	125,250	9,237
April	124,817	11,125
May	121,209	11,552
June	101,339	10,531
	472,615	42,445

RATIFY CHANGE IN CAPITAL OF DUPRAT

Good Indications From Both Properties of the Company.

The by-law changing the capital of Duprat Mines 5,000,000 shares of \$1.00 par value to 5,000,000 shares of no par value was unanimously ratified at the special meeting of the shareholders held at the head office of the company. Approximately 80% of the outstanding capital was represented in person or by proxy and all those present thought that the move was an excellent one.

The Company's engineer, J. C. Houston was present and explained to the meeting the possibilities of the new properties in Montbray Township and Kamiskotia. Some excellent samples were shown from the Montbray properties and Mr. Houston left for the north immediately after the meeting with full authority to carry on development on the new groups of property in a very big way.

In view of the excellent position Duprat Mines finds itself in financially much is to be expected from the developments carried on during the next few months. The new properties have great possibilities and with an aggressive development campaign the directors feel that the property will again shortly give a much better account of itself marketwise.

RESUME WORK AT CASTLE TRETHERWEY

Look For Good Results From Development at New Levels.

Gowganda—Work was resumed at Castle-Trethewey Mines last week. The shaft is now down to its objective of 450 feet, down 150 feet from the old level. A station is being cut and crosscutting will start at once.

The intention is to do considerable lateral work here, and it is expected this exploration will give encouraging results. The Castle management is prepared to spend up to \$100,000 in the area where the No. 1 shaft was deepened.

Developments during the past two months in the main workings are understood to have been quite satisfactory, and some nice ore has been opened up. Important ore was recently developed in being carried out here.

Corona Has Entered New Kamiskotia Field

Recent developments on the Ribazo, Thormoor and McDougall properties which all adjoin Corona Mines, are making this property stand out more prominently. Ribazo, Thormoor and McDougall are all reported to be securing good results at depth and the management of Corona is very hopeful that the ore occurrences will be encountered in the southeastern part of the property.

The very satisfactory results being obtained by Hollinger in their Kamiskotia developments have attracted the Corona management and it is reported that they have acquired a group of properties in Kamiskotia bordered on the west and the south by the Hollinger properties. This action shows the aggressiveness of the Company, which is planning to carry on an extensive development campaign on these properties as well.

BETTER SHOWING AT ANKERITE

Timmins—Opening up to the No. 5 vein, above the 475-foot level at the Ankerite Gold Mines is being actively carried out. So far the development of this vein has shown a somewhat better grade of ore than the average of that mined to date.

The management is anxious to get this vein opened up and once this is completed some deep diamond drilling will likely be done to ascertain the future program at depth.

WORK ON SHAFT AT LAKE SHORE

Rapid Progress in Establishing Additional Shaft On Property

Toronto Bureau The Financial Times
Toronto.—The establishing of another shaft on Lake Shore Mines is progressing more rapidly than what is generally supposed. The raise in question is situated at a point which will give outlet at a point near the present "chateau." Over half the raise is already completed, but progress is regulated by the facilities available through the present shaft. So far no start has been made toward preparing the surface for installation of hoisting plant at the new shaft. However, it is quite likely that the plans are already made.

Big Tonnage Blocked.

In regard to the Lake Shore Mine, there is no doubt but that ore could be supplied at much greater rate than that now going to the mill. Tonnage blocked out in Lake Shore is substantially greater than that blocked out on any other mine in this field. Among the gold mines of Canada the ore reserves on Lake Shore are next to Hollinger Consolidated.

NEW ORGANIZATION FORMED BY HARVIE

Shareholders to Receive Bonus of Stock in Exploration Co. of Canada

Three outstanding features were contained in the statement to the shareholders of Harvie Mining Exploration Company by the President at the special general meeting held this week to approve the recapitalization plans of the directors.

First the strong financial position with cash and current assets of \$446,691 and liabilities both current and optional of only \$63,000. This, it was pointed out is amply sufficient to bring the Harvie mines into production.

The company is also in strong position as regards personnel, its board consisting of Dr. Robert Harvie, president; Thomas Arnold, vice-president; H. Austin Ekers, member board of directors, Montreal Stock Exchange; Major D. J. O'Donahue, D.S.O. Montreal Securities Corporation; R. P. Ormsby, secretary Canadian National Railways; H. H. Claudet, (Mining Engineer), Consultant on Mining Resources, Canadian Pacific Railways; C. Price-Green, (Mining Engineer) Commissioner of Mining Resources, Canadian National Railways. Thus, the company is exceedingly fortunate in having a board which combines financial strength with sound and wide technical knowledge.

Big Exploration Company.
It has been known that the Harvie interests have been engaged in extensive exploration in many parts of the country and that several holdings of great importance have been acquired but it came as a pleasant surprise to most of the shareholders to learn that they would receive a stock bonus in a company which has been formed to consolidate all Harvie interests outside of the main operation in Clerley.

This is as a move which is exceedingly sound financially while being very generous to shareholders. By financing all exploration activities separately the Harvie treasury is entirely available for the development of the tremendous holdings in Clerley while at the time the Harvie shareholders participate in an organization which is operating from Manitoba to Nova Scotia.

This new company is to be called the Exploration Company of Canada, Limited, with a capitalization of 2,000,000 shares of no par value. Harvie shareholders will receive as a bonus two shares of this stock for each Harvie share now held. With the great holdings of this Company and an exploration organization which is in touch with every mining development in Eastern Canada this should prove a very valuable addition to the equity of Harvie shareholders.

BETTER TONNAGE FROM PAYMASTER

Grade Of Ore Being Recovered Also Shows An Improvement.

South Porcupine—Most of the machinery for the new concentrating plant at the Premier Paymaster Mines is now on the property. Eight car loads arrived and three more are on the way and should reach the mine about the middle of July. Part of the equipment was secured from the Comstock Mine, in Nevada. No time is being lost in getting this machinery installed.

TOUGH-OAKES WILL FOLLOW NEW POLICY

To Reduce Capacity of Mill and Concentrate Efforts on Reaching Depth.

Kirkland Lake.—As was stated recently, Tough-Oakes-Burnside will follow a different policy for the next twelve months. By cutting down the capacity of the mill, so that it may be possible at times to secure a large part of the mill feed from development ore, it naturally

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follows that ore reserves are being created or blocked out.

By operating the mill at about 90 or 100 tons of ore daily and by concentrating effort on deep development, the company expects to lose possibly \$10,000 or \$12,000 monthly. Compensation for this is looked for, however, in the direction of deep development.

If plans go through as recently outlined, by which directors and associates advance a total of \$250,000 to pay for extension of work, the company is now in position to cut out that deep work which has been so strongly advocated by the manager for a number of years.

HARVIE SPLIT RATIFIED.

At a meeting of the shareholders of the Harvie Mining Exploration Company, Limited, held in Montreal last week, the split of the stock on a basis of five for one, was ratified. Full report is being mailed to shareholders.

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Rich Properties Are Now Approaching the Production Stage

NORANDA ADDS TO ORE

Amulet Showing Good Progress—Exploration at Other Mines Gives Promise of Early Addition to Future Producers

Advices from Rouyn indicate that the intensive mining development which has been proceeding in the Northwestern Quebec field during the past year or so has reached a point where early results are assured. Many of the proven mines are now nearing the production stage while other properties give indications of uncovering ore bodies which will add substantially to the possibilities of the Quebec field as a source of metals.

Work at Noranda is now at 600 feet in depth. Levels are to be opened at 400, 500 and 600 feet. With over \$25,000,000 developed between surface and 300 feet in depth, and with the three new levels being driven to intersect downward continuation of the ore, it is believed reasonable to expect that when drifting gets under way the ore reserves will again take a rapid upward swing.

Adding To Ore Reserves.

The indications are that Noranda may develop ore at a greater rate than ever in the past. This is due to the fact that at the beginning the mine was equipped with only small steam driven machinery, whereas at present it has one of the finest electrically driven mining plants in this part of Canada. Estimating Noranda ore together with that recently acquired through acquisition of Waite and Towagmac, it becomes evident that ore reserves may soon stand at \$50,000,000, and with all signs pointing toward further rapid growth.

Advice is still being awaited with regard to results of deep diamond drilling on the Towagmac property. The core is reported to have continued to show favorable geological structure, but the drill was expected to have intersected downward continuation of the ore some few days ago. Whether the drill has missed the ore at this point or whether a change has taken place in dip of the hole or dip of the ore body is not known as yet. Meantime, the final details are being concluded with regard to incorporation of the Aldermac Mines to take over the properties and undertake their operation. After incorporation, 50 per cent. of the shares are to be placed in the treasury, while the remaining 50 per cent. will be issued. Noranda will receive 65 per cent. of the issued stock, while Towagmac will hold 25 per cent. of the issued stock.

Progress In Exploration.

Meantime, while events are moving in an important manner in connection with Noranda properties and properties under Noranda control, it is also important to note very rapid progress being made in exploration of various other mines throughout the Rouyn field.

Amulet is now assured of considerable tonnage, believed now to be between 300,000 and 400,000 tons. Some of the ore being indicated at present is higher in value than that heretofore developed. That a concentrator of quite large capacity will be required is now certain.

One of the important questions to be taken up in the near future in Rouyn is that in which a customs concentrator may be erected for the purpose of taking care of such ore as that found on Amulet. It should be remembered that while the big smelter nearing completion on Noranda will take care of the copper ore of Noranda and Waite, yet this will not solve the question for Amulet and Towagmac where a heavy zinc content requires different treatment.

In the midst of the rapid and important progress on the mines with big ore reserves developed, it is important to find more work now in progress in the Rouyn area than ever before in the history of Northwestern Quebec. Ore has been actually found and is being developed in one manner or another on various properties. Outstanding among these are Nipissing, Ellett-Metcalf, Marriott, Ribazo, Thormoor, Corona, Granada, Huronian Belt and various other holdings.

Important Development.

Among the events being more especially watched at present are Amulet's diamond drilling operations which also extend close to the boundary of Area Mines; Noranda developments reaching into the new deep levels; Towagmac drilling results from 1,000 feet in depth; Nipissing's lateral development at the 125-ft. level in Montbray; results of diamond drilling on Marriott Mines in Marriott township; diamond drill approaching half a mile in depth on Osisko; and various other interesting and important operations.

According to all the indications now available, interest in mining enterprises in the Rouyn field is rising at a rapid rate, and will attain big proportions during the closing months of the current year.

Granby Debt Bring Reduced Rapidly

New York.—As a result of the calling of the balance of the unconverted 7 per cent. bonds, amounting to about \$218,000 par value, for redemption at 105 on June 20, it appears that Granby will have no bonded debt outstanding by the end of this year.

Of the original issue of \$4,250,000 6 per cent. mortgage bonds, only about \$700,000 now remain outstand-

WALSH KATRINE IS NEAR PRODUCTION

The management of Walsh-Katrine Gold Mines states that development work has been advancing right up to a near production stage and it is only a question of more capital being placed in the proposition to enable the company to continue development work and erect a mill on the property for the purpose of treating the ore.

It is stated that development work to date has located ore bodies which give promise of great widths at a deeper horizon. The diamond drill cut 9 feet of \$14 ore on an angle of 45 degrees in number 4 vein, a considerable distance to the north of the working shaft.

A well mineralized ore body 42 ft. on an angle of 60 degrees was cut 175 feet south of the shaft which averages over mining width \$840 per ton. There is indicated by this drilling a ore body of over 300 feet in length in No. 4 vein. As development work proceeds No. 4 vein, which gave commercial ore values at many points over a distance of 1,500 feet on the surface gives promise of being an ore body of importance.

No. 2 vein has been opened up for a considerable distance and sampling has given an average of \$1220 over a width of 5 feet.

Samples taken from No. 3 vein have given such high results that the average ore value, while above commercial grade, has not been determined. Some of the assays have run as follows: \$17, \$22, \$63, \$63, \$80, \$95, \$102.

Pool Shares.

Negotiations are under way for the pooling of all the outstanding treasury stock for a limited period. This move is for the purpose of raising funds to develop the ore bodies that now exist on the property. It is the intention to maintain and protect the market on all shares that may be traded in on the exchange for Walsh-Katrine Gold Mines, Limited, shares. There has already been about 80 per cent. of the outstanding stock arranged to be pooled. It is anticipated that the greater portion of the balance will be accounted for within a short period of time. The pooling agreement will apply to present shareholders only.

DEPRESSION IN SILVER MARKET NOT PERMANENT

Huronian Belt Director Hopeful As to Future of White Metal

NO EARLY RECOVERY

In a recent interview with reference to the immediate outlook for the silver market, Eric Turk, of London, England, director of the Huronian Belt Co., expressed himself as of the opinion that we shall not see in the immediate future a recovery in price to its former high levels but he does not by any means believe that silver is "down and out."

Mr. Turk points out that the Indian currency commission's report of last fall which is blamed for the drop in the price of the precious white metal has not thrown a single ounce of silver on the world's market to date. A number of governments have not only been reducing their purchase of silver, but they have debased the silver content of their coinage. Coming on top of all this, there were the several revolutions in China which have practically ruined regular trade.

Little Government Buying.

Another factor in the silver market is that about 65 per cent of the world's silver is produced as a by-product by lead and zinc mines, which permits of a lower cost of production than in straight silver mining.

As far as India is concerned, for many years past the Government of India has ceased to be a buyer of any importance. Its requirements have been comparatively infinitesimal compared to the consumption of private individuals and of private trade. Over the last hundred years practically 35 per cent. of the production of the world has been taken by Indian buyers for other purposes than coinage. During the last three years this private demand has shown an increase in tendency, absorbing nearly 40 per cent. of the world's production.

"All these factors, will, in my opinion," said Mr. Turk, "sooner or later make themselves felt and bring about an improvement in the market price for silver."

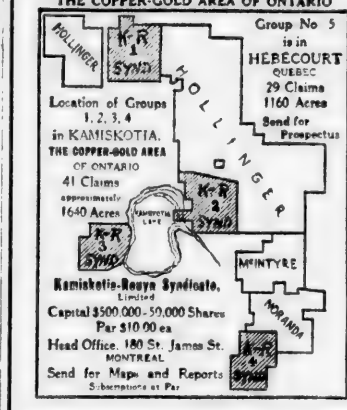
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Early Resumption of Developments at Rubec

Rouyn—Delays encountered some months ago in financing Rubec Mines are being overcome, and the company is expected to figure in activity in Rouyn by late this summer.

Rubec was incorporated for the purpose of taking over all of the properties of Quebec Gold Belt, as well as other claims. This embraces an aggregate of over 5,000 acres. It includes properties formerly known as Rouyn Gold, Rough-Quebec, Ottawa-Rouyn, and others.

Some of the property held by the new company lies within half a mile of the town of Rouyn and therefore

a close neighbor to the Noranda smelter. Ore of commercial grade is stated to have been found during former work, but it was not until the present reorganization that financing could be undertaken on adequate scale.

Rubec has an authorized capital of 5,000,000 shares. The company is understood to have absorbed all the properties in question and to still have well over 2,000,000 shares in its treasury.

NEW MINING LISTINGS.

The Montreal Mining Exchange announces the listing of Corporation of American Mines, capital 3,000,000 shares of the par value of \$1, and Kirkland Gold Belt Mines, Ltd., capital 3,000,000 shares, no par value.

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NEWS OF BANKING AND INSURANCE

PUT YOUR MONEY IN BANK IS NOT COMPLETE ADVICE

Bankers Should Realize That It Does Not Stay There Long Now

INVESTMENT SERVICE

Managers Should At Least Try to Safeguard Customers Even Though They Do Not Sell Bonds Themselves

Although in recent years the marketing of securities by the chartered banks has been developed on an increasing scale, there is still lacking unanimity of opinion on the question of policy.

In the United States banks are more widely recognizing that the savings account is merely a temporary affair, and that, if the customer is going to invest, it can be made a good thing for the customer and good business for the bank to sell him sound securities.

Books Received

Italy's Reconstruction. How Italy under Mussolini has succeeded in raising the value of its lira from an extreme low of 318 cents to its recent quotation of 59 cents.

Where Bandit Hunting Would Pay

Pomeroy, O. — The seven banks operating in Meigs County have signed an agreement to pay \$25,000 to any one killing a bank robber caught in the act of robbing a bank.

Bank Statement for May Shows Recession in Savings Deposits

A feature of the statement of Canadian chartered banks for the month of May is a decline in savings deposits from \$1,495,218,554 in April to \$1,389,750,483.

Table with columns: Reserve fund, Note circulation, Demand deposits, etc. Rows for May 1927, April 1927, and May 1926.

Real Communism Represented By Life Insurance Business

Superintendent of Insurance G. D. Finlayson Outlines Significance of Fast Expanding Business—Excessive Government Taxation Constitutes Bar to Progress—Further Education of Younger Generation Required.

Definition of life insurance as co-operation without the failures; Socialism without coercion; Communism without the Bolshevik; gambling without the losses; and installment buying without extravagance.

After outlining the early development of life insurance and acknowledging the debt which is owed to the thorough establishment by the earlier British companies, Mr. Finlayson continued:

We are often told that installment buying is the modern method, revolutionizing our business organizations and the life of the individual.

Needs for Future Progress.

I started out by saying that conditions are not ideal. There are still many directions in which progress should be made.

The Governments have continued to tax life insurance premiums mainly, apparently, because it is the only form of tax in this way.

10% of the profits, but a number of the companies have for a number of years taken no portion. Others have voluntarily reduced the amount withdrawn from 1% to 5%.

Life underwriters can assist in educating the public as to the ultimate incidence of the tax on life insurance premiums by showing that it means a tax upon men who are voluntarily taxing themselves through their life insurance premiums for the purpose of preventing their dependents from becoming a tax on the rest of the community.

If the boys in our schools and those setting out on the highroad of life could be brought to understand that there is a security provided by life insurance for their first savings which is provided by no other form of investment, and that they have the opportunity of laying the foundation of an estate which will make for their increased happiness and peace of mind when greater responsibilities come upon them, they would be more ready to insure at an early age when premiums are low and responsibilities few.

BANK OF MONTREAL'S NEW BRANCH.

Announcement is made by the Bank of Montreal of the opening of a branch of the bank on or about the 15th instant, at 2330 Bloor street west, Rummymede district, Toronto.

French Drawings

Table of French drawings with columns: Issue 1927, Issue 1926, and Issue 1925. Rows listing various drawing numbers and their values.

Investors read

The Financial Times Montreal CANADA Toronto



I SOLD a man a Continuous Monthly Income Policy in favour of his wife, to provide her \$200 per month, in case of his prior death, which took place a few years later.

The MUTUAL LIFE of Canada WATERLOO, ONTARIO

British Colonial Fire Insurance Company Head Office: 90 St. James St., Montreal

Fire Association OF PHILADELPHIA Head Office for Canada: 50 St. James Street, Montreal

COMBINED TOTAL ASSETS: \$21,779,749 COMBINED TOTAL SURPLUS: 10,963,895

Money and Exchange

Table of money and exchange with columns: Currency, Country, Normal, Current Value, P.C. discount. Rows for Sterling, Franc, Belg, Lira, etc.

Foreign exchange quotations closed generally weaker during the past week, but, with few exceptions changes were only fractional.

Large advertisement for Dominion Life Assurance Company featuring a man in a suit and the text 'One Hundred Millions' and 'THE President, Managing Director and other Directors wish to congratulate the members of the field force of The Dominion Life Assurance Company on the occasion of the Company reaching the Hundred Million mark of insurance in force.'



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FINANCIAL ACTIVITIES IN WESTERN CANADA

REPORT ON OIL TURNER VALLEY IS FAVORABLE

Government Geologists Find
Bright Indications For Success of Field

4 PRODUCING WELLS

Field is Proved Up Over a Limited Area, Which May be Extended Soon—Promising Find At McDougall-Segur

Calgary Bureau The Financial Times. Calgary.—That the Turner Valley oil field has been proven over a limited area is the conclusion drawn by the Geological Survey Branch of the Dominion Department of Mines in a recently published report on the possibilities of the strike of the field, describing the formation of the field, the report continues: "Four wells are now producing oil from rocks that are assumed to be late Palaeozoic. The shallowest of these wells, Royallite No. 4, is 3,740 feet deep. For over two years Royallite No. 4 well has produced daily about 500 barrels of naphtha of 73 deg. Baume, which is extracted by two Smith separators from a flow of gas of approximately 17 million cubic feet. This production during 1926 amounted to more than half the entire oil production of Canada. The other three producing wells, Illinois-Alberta, Vulcan and McLeod No. 2 are all producing naphtha of about the same grade as Royallite No. 4 from the same formation. Dalhousie No. 1 well on the strike of the field, about a half-mile northwest of Royallite No. 4, is now preparing to drill the Palaeozoic limestone and dolomite to the productive horizon.

Field is Proven. Besides this deep producing horizon, there are other producing zones within the Lower Cretaceous rocks and all the production of Turner Valley previous to the drilling of Royallite No. 4 well came from these higher strata. Several wells now being drilled have found considerable quantities of oil of about 55 deg. Baume in these Lower Cretaceous rocks. The most promising flow so far encountered in recent drilling has been reached in the New McDougall-Segur well at slightly less than 2,600 feet. A production test is now being made.

Over a limited area, therefore, Turner Valley is now a proven field, and it seems likely the extent on the structure will be determined by the extent of the lower productive horizon as the structure is favorable for at least eight to ten miles along the strike of the fold. The Vulcan well, drilled on the central syncline of the main anticlinal fold, reached the Palaeozoic limestone more than 1,400 feet deeper than Royallite No. 4 well. Since, in an ideal anticline, gas is expected at the crest of the fold with oil under it and water under the oil in order of buoyancy, it is significant that wet gas with water has been encountered in the Vulcan well.

May Extend Limits. Thus, while the limits of production on the flank of the fold may not have the same level, the success of the Vulcan well is a favorable indication that production may be expected to extend far down the flanks of the fold. Also from the expected arrangement according to specific gravity, crude oil, if such is present in the anticline, will be encountered in order of buoyancy, it is significant that wet gas with water has been encountered in the Vulcan well. Thus, while the limits of production on the flank of the fold may not have the same level, the success of the Vulcan well is a favorable indication that production may be expected to extend far down the flanks of the fold. Also from the expected arrangement according to specific gravity, crude oil, if such is present in the anticline, will be encountered in order of buoyancy, it is significant that wet gas with water has been encountered in the Vulcan well.

RUSSIA WANTS BETTER HORSES

But Commission Does Not Seem Ready to Pay the Market Price

Calgary Bureau The Financial Times. Calgary.—Considerable difficulty is being experienced by Dominion Government officials and representatives of the Russian Soviet Government in securing the quota of 400 head of horses in Alberta to complete the first shipment of 1,400 head which was to have gone forward to Russia about the middle of July. The price offered by the buying commission is from \$20 to \$30 a head and this is considered too low by Alberta ranchers for the type of horse demanded. In the trial shipment which went forward some time ago and which resulted in the Russian Government agreeing to purchase a further 4,000 horses, it is stated that animals were of a much inferior class than those demanded under the present contract. It is stated that the Russians now want something very much better than what are termed "scrub" horses here but the buying commission has no authority to exceed what was paid for the poorer class of horses which composed the first trial shipment.

In order to show that the Russians are after a really fine type of horse it might be mentioned that out of 1,500 head inspected at the Sarcee Indian reserve here only 40 measured up to the requirements. Although the members of the commission have been in Alberta now for close upon three weeks they have only been able to secure about 550 head. In many districts numbers of horses have been inspected, a large percentage of them being thoroughly up to the standard required, but the owners have steadfastly refused to accept the low prices offered.

New Investment Firm For Coast

Vancouver Bureau The Financial Times. Vancouver.—A new financial and insurance firm has been formed under the name of Hopper and Babcock, Limited, at 516 Standard Bank Building, Vancouver.

The members of the new firm are E. S. Hopper, J. N. Babcock, and T. C. Babcock. Mr. Hopper, who was formerly in the service of the Bank of Hamilton, and later with the Canadian Bank of Commerce, will have charge of the investment department. T. C. Babcock will have charge of the investment department, and J. N. Babcock, formerly inspector for the Sovereign Life, will have charge of the life and casualty department.

The Associated Brokerage Office of Collingwood East has been incorporated in the new firm and will be operated as a branch office under the management of J. A. Thompson.

EASTERN CANADA KNOWS LITTLE OF MINES ON COAST

Vancouver Broker Stresses Need of Publicity By Mines of British Columbia.

ENCOURAGING SIGNS

Vancouver Bureau The Financial Times. Vancouver.—That the mining industry in British Columbia should have greater publicity in Eastern Canadian and prairie cities, is the declaration of W. F. Irwin, of R. P. Clark & Company, Limited, who returned recently from a month's trip to various centres in the East. Mr. Irwin is a firm believer in the future of mining in this province, which holds many opportunities at present, and while away was able to tell eastern people about some of the splendid chances we have here.

"My visit to Eastern Canada was most encouraging on account of the considerable interest being taken in British Columbia mines by Eastern investors," Mr. Irwin said. "They already know of the success of Consolidated Mining & Smelting, Premier Gold, Howe Sound Copper and Grayby, and on this account were particularly interested in Coast Copper, which was listed on Montreal Curb during my visit to the East.

No Boom Apparent. "This was one of the spectacular events on the Montreal Curb. Quotations opened on Monday, May 20th, at around \$12.25 and by Tuesday noon Coast Copper was selling as high as \$22.00 per share. Of course one of the principal reasons for this demand was the fact that the company is controlled by Smelters, and in Montreal a very large amount of this stock is held.

"It is felt that with a larger amount of publicity that a big volume of business can be developed in Eastern Canadian and prairie cities. As pointed out, British Columbia has not had a mining boom for a number of years, and although a number of our mines are now reaching the dividend stage, prices have not yet reflected this condition.

Need More Publicity. "In reading Eastern newspapers it will be found that they contain a large amount of information concerning the different mines of Ontario and Quebec, whereas the press of the Pacific Coast does not give any amount of space to this important industry. A broader distribution of a paper such as the Western Canada Mining News is therefore necessary, so that the people of Eastern Canada may be better informed regarding the mining companies of British Columbia. If the brokers of Vancouver will follow up the work which has been done in the East, there appears to be no doubt that important results may be secured."

NOT SINGLE DRY AREA IN ALBERTA

Most Uniformly Bountiful Crop Ever Experienced in the Province

Calgary Bureau The Financial Times. Calgary.—Crop reports from all parts of Alberta continue to be eminently satisfactory. Early sown wheat in a number of districts is coming into the shot blade and in some instances heads are showing. The weather throughout the province has now turned too which is exactly what is needed for the quick maturing of all crops. If this continues for the next few weeks all reports point to the fact that the wheat yield will be exceptionally heavy and there is every indication that it will be the largest ever produced in Alberta.

Old-timers and those intimately connected with agriculture state they can not remember any year in the history of the province where the crop has been so uniformly bountiful. There is not one single dry area reported and in usually arid districts large crops will be harvested.

Another feature which has added to the general optimistic feeling is the fact that so far this season there has been less hail than for a number of years and these storms have been but slight. Alberta this year has been practically free from any other damage.

Farmers in all parts of the province state there is ample moisture in the ground to assure a crop and that the present prospects are about the best they have ever known. The late seeding owing to the large amount of moisture at the time is being rapidly overtaken and the prediction is that given favorable weather from now on the crops at the end of this month will be quite as

SATISFIED THAT BIG MINE WILL BE DEVELOPED

Success of Tests From Flin Flon Indicate Exercising of Option

ENORMOUS RESERVES

Big Body of Complex Ore Has Value of \$268,000,000—Development Will Mean Heavy Expenditure

Winnipeg Bureau The Financial Times. Winnipeg.—The success of tests made from Flin Flon ore is accepted here as indicating plainly that the Whitney interests, who have been conducting the investigations on the property during the past year or so, will exercise their option and that development on a scale which will rival that on any single mining venture in the Dominion, will ensue. Considerable satisfaction is being expressed in this province over the favorable results of this venture which, when the option is taken up and production ultimately achieved, will give Manitoba a place of honor among the metal-producing provinces of Canada.

As developed to the 900-foot level, the Flin Flon ore body takes rank with the largest in the Dominion, taking third place only to the Sullivan mine of Consolidated Smelters, and the Creighton and Frood mines of International Nickel. With an average of \$13.40 per ton, the 20,000,000 tons of complex ore developed takes a valuation of \$268,000,000, truly an impressive figure. One writer has pointed out that from this value standpoint such a figure is greater than the positive known ore in sight of all the gold camps in Northern Ontario, and the Quebec and Cobalt camps together. While the \$68,051,733 ore reserves of Hollinger Consolidated are compared with the \$268,000,000 indicated on the Flin Flon, some basis for the claims of great magnitude is seen.

Huge Zinc Values.

Tests carried out for nearly two years were successfully terminated when the present flotation mill at the Flin Flon functioned as expected, and the experiments made at Denver were corroborated, so that there now appears little reason to doubt that early development of the property will be undertaken, and the option carried out. This would be an event of extreme importance to Mining Corporation for it has been stated unofficially that the terms of the option to Minerals Separation Company call for a purchase price of \$4,500,000, of which \$2,000,000 and 15 per cent. interest goes to Mining Corporation.

The valuable minerals in the Flin Flon ore are copper, zinc, gold and silver, and the process which has been evolved makes it possible to work the immense deposit at a good profit. The zinc values alone are said to amount to \$5 per ton, or a total of \$100,000,000. Originally it was intended to use direct pyritic smelting and allow the zinc content to go to a loss, as no process was known previously whereby these ores could be separated, so that the success of the process now worked out has a very great bearing on the future of the enterprise.

It is figured that the present ore reserves will provide 18 years of work with a 3,000 ton unit. Probably 3,000 ton unit will be the initial installation, with production stepped up to 5,000 tons a day within a couple of years. With a 5,000 ton plant the present reserves will provide for 12 years milling. Owing to the fact that the ore is massive, and with a great width of 350 feet, mining is expected to be exceptionally cheap, and a profit of \$3.50 per ton is in sight, according to those in touch with the conditions, with the suggestion that this figure might be improved upon.

Development of \$20,000,000.

With a production of 3,000 tons a day the Flin Flon would be expected to produce over \$7,000,000 annually, and it is recognized that such an enterprise might reasonably suggest a town of some 20,000 people within a few years. The benefit to the railways is seen in the fact that such an operation would require great quantities of coke, and the outgoing freight would also be very considerable as a ton of copper and zinc will go out for each 18 tons of ore treated. Allowing for \$4,000,000 for the construction of the railway which must be built, the development of the Flin Flon will run to a figure of around \$20,000,000. The Province of Manitoba has guaranteed bonds to build the railway to the extent of \$3,500,000. Water power will be developed on the Churchill River, 70 miles to the north at a cost of \$4,000,000, and the development of the mine, the construction of the flotation mill and smelter, will account for the balance of the \$20,000,000 expenditure.

Such a development will mean much to the Provinces of Manitoba and Saskatchewan, with a big payroll and heavy expenditures for supplies, and with a large turnover for the railways, and the present prospect is that several other big mining operations may be expected to spring up in the region.

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he said, this industry ranked second only to agricultural and forest products. Cities and places that were "different" drew this tourist wealth better than those that are standardized and merely progressive, he said, yet there is keen competition for the tourist among the best-seller centres.

BIG RECOVERY OF SALTS.
Moote Jaw.—About 2,000 tons of glauber salts have been harvested from White Shore Lake, ten miles west of Biggar, in the course of the winter and early spring. No machinery or plant of any kind is in use so far.

During the warm weather the mineral becomes dissolved from the rock beneath the lake and as the water temperature falls below 30 degrees the salts become crystallized on the surface and collected by men with teams.

A LAND OF LEGENDARY LURE.
Many are the legends that had their birth in the Lower St. Lawrence countryside to live to this day as part of the folk-lore of a primitive, soil-loving people. "The Dripping Indian," "The Chasse Galerie," "The Loup-Garou," have been handed down for generations.

Equally ancient are the many landmarks with which the district abounds. Venerable churches, stately seigniorial manor houses, ancient village and farm homes, lend an old-world charm to a vividly beautiful country.

This favored land offers unique scope for holiday enjoyment. Golf, tennis and motoring, bathing, boating, salt and fresh water fishing, fill the golden days to overflowing. Murray Bay, Bic, Cacouna, Tadoussac, Metis and many other resorts offer the finest of accommodation.
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CALGARY CANADA

DEVELOPMENTS BEARING ON BUSINESS OUTLOOK

OTTAWA SITE FOR RESEARCH LABORATORIES

Expenditure of Upwards of \$2,000,000 on Equipment Being Planned

AFTER MANY DELAYS

Plans Were Formulated Back in 1920, But Political Changes Have Interfered With Carrying Out of Program.

Ottawa Bureau The Financial Times Ottawa.—Assurance that the Government has definitely decided on the establishment at Ottawa of modern national research laboratories lies in the fact that it has practically settled the question of their location. The site chosen is that of the old W. C. Edwards Lumber Company on Sussex street at the mouth of the Rideau River. The national laboratories will be the last word in scientific equipment for research, being constructed from plans prepared after study of research establishments in other countries. They will cost upwards of \$2,000,000.

The determination of the government to embark on this undertaking is somewhat belated, for it goes back in 1920 that a committee of the House of Commons, of which Hume Cronyn of London, was chairman, strongly recommended the immediate establishment of a national research institute with capacity and equipment sufficient to serve the requirements of the country for years to come. The changes of government that have taken place in the intervening years and financial considerations combined to postpone action in this important national enterprise but now that the present ministry is well established in office it is prepared to proceed. One of the concerns of Mr. Malcolm in his visit to Great Britain was that of securing information on research policy there with a view to its application in connection with the Canadian undertaking.

Much Is Being Done.

Industrial and scientific research on anything like a national scale is only nine years old in Canada, but in that time, under the handicap of lack of facilities and financial aid, a vast amount of valuable work has been done and the possibilities of the future, with proper equipment at hand, have been convincingly demonstrated. The National Research Council was created by the government at the end of 1916 and began to function the following year. Since then it has expended less than \$1,000,000, but under its auspices forty-three research investigations have been brought to a conclusion, some of them with important results, and fifty more are now in progress. Practically all of the widespread activities with which the National Research Council has to do are on an entirely honorary basis. Not only do the members of the Council themselves receive no financial reward, but of the 389 persons who were actively engaged under its auspices during the past year 314 served without remuneration.

With its limited facilities, the scope of the Council's work has not necessarily been restricted largely to the co-ordination and stimulation of research and to the training of university graduates for a career in scientific and industrial research. The council operates in the main through a number of associate committees, sixteen of which are now functioning, with a membership of over two hundred eminent Canadians who are contributing their time and talents without payment. It also co-operates with the various departments of the government engaged in research. Of the \$929,000 expended in nine years by the Council, forty per cent has been in grants in aid of research and twenty-six per cent in the establishment of scholarships, nearly all of the winners of these scholarships being now employed in research activities in this country.

Saving Money in Lobsters.

The large number of research investigations brought about by the Council have served or are serving a variety of classes of Canadian enterprise. For example, one such investigation conducted by Dr. F. C. Harrison of Macdonald College, has succeeded in solving certain difficulties of the lobster packing industry which resulted in an annual loss of \$700,000. Another important investigation is that which has as its object the combatting of the cereal grain rust, which has been costing the grain growers an average of \$25,000,000 a year. The mining industry of Canada has already been vastly benefited by improvements secured in rock crushing methods by means of research work under the council. Great help has been given agriculture in the provinces of Quebec and New Brunswick by experiments which have discovered more successful methods of treating acid soils with lime. An investigation in British Columbia has as its object the creation of a drug manufacturing industry in that province through the cultivation of certain plants producing drugs and essential oils.

In the same province another investigation has developed new means for producing an important chemical used largely for metallurgical and other purposes and has made possible the establishment of a new chemical industry. Important work has been done in the problem of the utilization of Canadian low grade ore for the replacement of the ore now imported in large quantities. In the promotion of reforestation valuable work is being done at the Council's experimental stations.

Other countries with which Canada competes industrially and commercially have large national research establishments and spend vast sums on the work. The present intention of the government at Ottawa apparently is to place Canada on a parity with other ad-

vanced nations in this matter. Provision of national research laboratories has been urged during the last few years by such organizations acquainted with the value and possibilities of research work as boards of trade, chambers of commerce and manufacturing associations. Although a policy for the conduct of the institution will have to be worked out, it is likely that the laboratory facilities will be at the disposal of Canadian industries desiring to conduct researches in their own interests, these industries being required to pay the cost of such researches. A large part of the work of the institution will be for the general benefit of the country.

BRITISH INDUSTRY RECOVERING FROM EFFECT OF STRIKE

Building Operations, Subsidized By State, on Large Scale

ECONOMIC IMPROVEMENT

London.—The economic situation is improving moderately. The general state of employment is better than a year ago or at any time since 1920, although this is not true throughout all Europe or in all industries. With the resumption of coal mining in Great Britain that industry is generally overdone. It is suffering from over-expansion with new fields in several European countries, from economies in the use of coal and from rival means of generating power. France in the past has afforded an important market for British coal, but the rehabilitation of the French mines since the war has enlarged their capacity, and the French Government is now proposing to admit foreign coal into the country only by a license system, which may seriously affect British sales. German coal exporters are interested also, but since their supplies are furnished for the most part on reparations account they probably will be given preference. The coal settlement in Great Britain is yielding disappointing results, because of the inability of the mines to operate full time.

The textile industries on the continent are generally busy, except in France and Italy, where they have been unfavorably affected by the rise in value of the currencies. Last year these had an advantage over the competing industries of Germany, Czechoslovakia and Poland, while now the latter have the advantage. The cotton goods industry of Great Britain was stimulated by the decline of cotton last Fall, but efforts to advance goods prices to correspond with the recent advance of the raw materials has caused orders to fall off and production to be curtailed. An attempt being made in Lancashire by the Cotton Yarn Association, Limited, which has in its membership about 75 per cent, of the spinning capacity, to fix a minimum price for yarn, something often tried without success. This time it is being tried by a stronger organization, but the outcome as yet is in doubt. The cotton goods industry is established in many countries, in all of which, excepting the United States and some of the British dominions, wages are on a much lower scale than in Great Britain, and this competition is stronger than ever before. In the finer makes of goods the British industry holds its own, but in the coarser makes has lost volume, a change to which probably it will have to adjust itself.

Industry Has Recovered.

On the whole, British industry appears to have made a good recovery from the depression caused by the great strike of last year. The London Economist in a review at the end of May stated that "about 500,000 insured workers have been reabsorbed by industry since the end of the coal stoppage, exclusive of the miners returned to work and the normal growth of the industrial population, which in the last insurance year, added about 150,000 names to the Minister of Labor's registers."

Building operations, assisted by a State subsidy, have been on a very large scale over the last three years, and doubtless have afforded substantial support to the industries. The total number of houses constructed from 1920 to 1926 inclusive was 866,142, of which 217,620 were erected in the last year. Of the total number, 545,287 were state-aided and 320,855 were not. The authorities expect that in another year at the latest the arrears of construction and state regulation of rents may cease.

To Prevent the Illegal Movement of Liquor

Saint John.—According to an announcement made by H. J. Page, director of the Investigation Department, Canadian National Railways, an understanding has been reached under which the Canadian National Railways, the Customs Preventive Service of Canada and the United States Customs Services will co-operate to prevent the illegal movement of liquors from points in the Maritime Provinces to other points in Canada and to the United States. This statement followed a meeting at which representatives of the contracting parties were present. It is the culmination of offers along this

NEW TRADE WITH CUBA, THE WEST INDIES AND JAVA

Cuban Consular Service to Canada is to Be Re-organized

BUSINESS IN TRINIDAD

Canada Bound to Increase Export Trade as Result of Preferential Tariff Treatment

St. John Bureau The Financial Times Saint John.—Trade between Canada, Cuba, the West Indies and Java all came in for prominence in the Maritimes during the past few days again stressing the growth in Canada's foreign business through these trade routes.

Following the recent announcement of the appointment by Canada of a trade commissioner at Havana, Cuba, came word that a complete reorganization of the Cuban consular service to Canada would be effected and one of the results of this is that the Maritime consulate, situated at Saint John, is to be advanced from second to first class and two more members will be added to the Maritime consular staff, including Luis Sotto, at present acting consul at Montreal, who will be vice-consul to the head of the Maritime consulate, Senor R. G. Betancourt.

Commenting on this, Senor Betancourt predicts a great increase in the Canada-Cuba trade and he believes the figures for last year will be doubled now that a direct line has been established. He recalled the fact that the consulate here was established in 1914 and that, from a small room, the consulate has grown to occupy a suite in the business section. Senor Betancourt has been consul since 1925 and the results of his efforts to develop this trade are shown in the increases. In 1924 it totalled \$1,388,853 and last year it had reached the \$4,000,000 mark. This, he now predicts, may be doubled this year.

Trinidad Good Customer.

On the occasion of a recent visit to the city, James Cormack, Canadian Trade Commissioner at Port of Spain, Trinidad, West Indies, said that the trade between the two countries has been yearly increasing and, in view of the tariff preference recently extended, Canada was bound to increase even more rapidly. Today, he said, in Trinidad, the percentage of Canadian imports is second only to that of Great Britain, or, roughly, some 25% of the total. Mr. Cormack said that practically everything made in Canada is saleable in the West Indies, excepting furs and furnishings, but the best seller was Canadian flour which made up some 96 per cent. of the import trade. A direct line, he states, is now in operation from Vancouver via the Panama Canal, a recent cargo from the B. C. city including a million and a quarter feet of Douglas fir.

Batavia to Have Office.

R. S. O'Meara, Canadian Trade Commissioner for Batavia, will open an office at the Halifax Board of Trade where he will be in touch with business men who wish to become acquainted with business conditions in his territory, which includes Batavia, Strait Settlements, Indo-China, Siam and Netherlands, East Indies, also British India and South Africa. Mr. O'Meara, by the way, is a native of Toronto and a graduate of McGill.

Mr. O'Meara states that Canada did some \$8,000,000 worth of business in the Malay States districts and nearby countries, last year, and he expressed the opinion that there is a great opening there for the produce of the Maritimes. New Brunswick sardines, he said, are now being widely sent there and he visioned an opening for Maritime canned fish and dried apples. During the past year some 7,000 cases of canned fish were imported from Canada. Java is using Canadian powdered milk in large quantities, while hosiery, patent leather goods, automobiles and accessories, toys and novelties comprise other Canadian goods that have a strong hold in his territory. Last year trade from Canada showed an increase of some 70 per cent. and he looks to this year to show a 100 per cent. gain. The only thing, he said, that would hamper greater expansion in this trade is lack of transportation facilities from Canada. The central Canadian provinces are the largest exporters but he could not see any reason, with proper transportation facilities from the Maritimes, that Maritime goods, too, would not find a much better hold there. As regards New Brunswick apples he felt sure they could compete with the United States products. The European class in his districts, he said, are Canada's best customers, as they buy box chocolates which come largely from Nova Scotia, cars, etc., and there is a good opening there for light underwear and bathing suits.

SAINT JOHN BUILDING.

Saint John, N.B.—June construction in Halifax is the best in that city for the past five years and clearly marks the great building revival going on there. The total for which permits have been issued during the past six months of 1927, is \$708,854 which speaks volumes for the progress of the city.

line made some time ago by the railway. There were some thirty persons present at the meeting at which the agreement was reached including U. Appleton, general manager of the railway for the Atlantic Division.



St. James Cathedral

YOUR MONTREAL
This is No. 7 of a series of advertisements on Historical Montreal

THIS is the headquarters of the Roman Catholic Archdiocese of Montreal. It is a magnificent building and has been patterned from St. Peter's in Rome, with certain changes made necessary by climate. The corner-stone was solemnly laid on August 28th, 1870, but it was only in 1894 that the Cathedral was open for public worship.

St. Peter's is 696 feet long, while this Cathedral is 330, it is therefore nearly half the linear dimensions of the great Church in Rome.

The interior is most impressive, lofty, graceful and simple. Under the Dome is a magnificent canopy, copied from the one in St. Peter's, beneath which is the High Altar of marble and

onyx, while the Archepiscopal Throne, sculptured and inlaid with ivory, stands at the Gospel side of the Altar. Several interesting paintings, recalling historical events connected with the early days of Montreal, adorn the arcades of the transepts and the lower walls.

Within this Church is found the Papal Zouaves' Chapel, built in memory of the Crusaders of 1868 and 1870.

The Bishop's Palace and the residence of the Archbishop of the Province, as well as that of the Bishop of the Diocese, adjoin the vestry. At the North entrance of the Cathedral, is a fine bronze statue to the memory of Bishop Bourget, who conceived the idea of the Cathedral. The sculptor, Philippe Hebert, has represented himself as a young Zouave in one of the plaques.

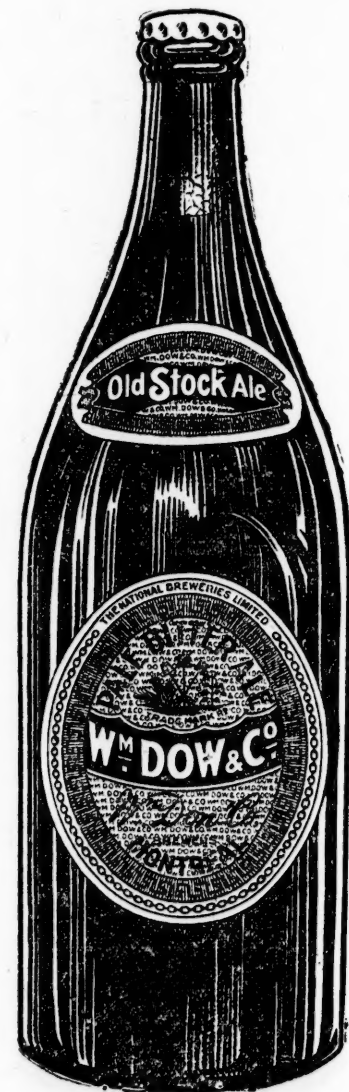


The Cathedral can be reached directly by cars on routes 9, 14, 47, 65, 70, 71 and 83, and is within a short distance of St. Catherine and Peel Streets where convenient transfer may be made. Our conductors will be glad to direct you.

There is always a Reason!

"An Art and a Science"

In the Dow Brewery the manifold operations necessary to produce a perfect Ale bring to the mind the fact that brewing is both an art and a science. And, above all, the absolute cleanliness pervading the entire plant insures the perfect purity so readily recognized in Dow Old Stock Ale



Dow

Old Stock Ale
fully matured

Standard of Strength and Quality

Record of Canadian Stocks

Table with columns: Week ending July 12 1927, High, Low, Close, Change, Div. Rate. Lists various stock categories like Bread, Sales, Steel, etc.

Mining Market Record

Table with columns: Price Range, High, Low, Close, Net Change. Lists mining stocks like Argonaut, West, etc.

Bonds and Trust Companies

Table with columns: STOCK, Open, High, Low, Close, Sales, Price Change, High, Low. Lists various bonds and trust companies.

Dividend Declarations

Table with columns: Company, Yearly Div., Date Record, Date Paid, Paid 1926. Lists companies and their dividend details.

Investment Yields

Table with columns: Div. Rate, Yield. Lists various investment yields.

Unlisted Securities

Table with columns: Div. Rate, Yield. Lists unlisted securities.

NEW YORK STOCKS

Table with columns: July 8, July 13, Net Change. Lists New York stocks like Am. Agri. Chemical, Am. Beet Sugar, etc.

Investment Yields

Table with columns: Div. Rate, Yield. Lists investment yields.

Montreal Curb

Table with columns: High, Low, Close. Lists Montreal Curb stocks.

Public Utility Stocks

Table with columns: Div. Rate, Yield. Lists public utility stocks.

Unlisted Securities

Table with columns: Div. Rate, Yield. Lists unlisted securities.

Unlisted Securities

Table with columns: Div. Rate, Yield. Lists unlisted securities.

CELANESE CORPORATION OF AMERICA

Notice to holders of record of July 31, 1927, regarding dividends.

A.J. Pattison, Jr. & Co. LIMITED. INVESTMENT BANKERS. BOND AND SHARES. "Specialists Unlisted Bonds and Stocks". 219 Bay Street, (Ground Floor) Toronto.

Finest Egyptian Mashero Cigarettes. No. 30 - box of 10 - 30¢. No. 39 - " - " - 40¢. No. 41 - " - " - 50¢.

DIVIDEND NOTICES, ETC.

The Royal Bank of Canada. DIVIDEND No. 100. Notice is hereby given that a dividend of THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday the first day of September next, to shareholders of record at the close of business on the 30th day of July.

Belding Corticelli Limited

DIVIDEND NO. 51. Notice is hereby given that the Preference Stock of this Company, the directors have declared a Dividend of 1 1/2% payable on the 15th day of September, to Shareholders of record at the close of business the 31st day of August, 1927.

Belding Corticelli Limited

DIVIDEND NO. 8. The Directors of Belding Corticelli Limited, are making a distribution from the earnings of the half year ended May 31st, 1927, of Three per cent (3%) on the Common Stock of the Company, payable August 1st, 1927, to Shareholders of record July 15th, 1927.

THE CANADIAN CONVERTERS' COMPANY, LIMITED

DIVIDEND NOTICE. Notice is hereby given that a dividend of one and three-quarters per cent (1 3/4%) on the Issued Preference Shares in the Capital Stock of this Company for the period from the first day of May to the thirty-first day of July, 1927, has been declared payable to shareholders of record at the close of business on the first day of August, 1927.

THE INTERNATIONAL NICKEL CO.

A quarterly dividend of one and one-half per cent on the Preferred stock has been declared this day payable August 1, 1927, to the Preferred Stockholders of record at the close of business July 21, 1927.

Imperial Royalties Company

Will pay monthly dividend of 1 1/2% per share in cash or 4/100ths of July 31st. This is a Total Dividend No. 82 and makes a total of 14 1/2% paid to shareholders.

K.H. Kompfe & Co. Limited

Toronto and London, Ontario. Dividend Notice. Notice is hereby given that a dividend of thirty cents (30c) per share on the Issued Common Shares in the Capital Stock of this Company for the period from the first day of May to the thirty-first day of July, 1927, has been declared payable to the shareholders of record at the close of business on the first day of August, 1927.

Associated Gas and Electric Company

Dividends. The Board of Directors has declared the following quarterly dividends payable September 1 to holders of record July 30, 1927.

STANFORD'S LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1 3/4%) on the Issued Preference Shares in the Capital Stock of this Company for the quarter ending July 31st, 1927, payable on the 1st day of August next, to Shareholders of record at the close of business on the 15th day of July, 1927.

STANFORD'S LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1 3/4%) on the Issued Preference Shares in the Capital Stock of this Company for the quarter ending July 31st, 1927, payable on the 1st day of August next, to Shareholders of record at the close of business on the 15th day of July, 1927.

ENVELOPES DIRECT FROM FACTORY BETTER SERVICE & SAVING Montreal Envelope Co.

MORGAN TRUST COMPANY

Administrators and Trustees of Estates
General Insurance Brokers

SAFETY DEPOSIT BOXES AND STRONG ROOMS FOR VALUABLES. TWO FIRST CLASS WAREHOUSES FOR THE STORAGE OF HOUSEHOLD FURNITURE, ETC. ESTIMATES FURNISHED FOR THE PACKING AND SHIPPING OF THE CONTENTS OF RESIDENCES, OFFICES, ETC.

469 UNION AVENUE - - TELEPHONE PLATEAU 6251

OSLER & HAMMOND

F. G. OSLER
H. F. MARRIOTT

G. T. CHISHOLM
H. FRANKS

Stock Brokers and Financial Agents

Members { Toronto Stock Exchange
Montreal Stock Exchange

21 JORDAN STREET - TORONTO

Extensive Gain in Earnings For Canadian Chain Stores

(Continued from Page 1.)
Pure Food Stores which increased the number of stores last year from 38 to 50, is making further extensions, having 53 in operation now. Substantial increases have been made in the capital stock outstanding of Loblaw's and Dominion

Stores, but preferred stock obligations have been reduced or wiped out and opening of many new units has been provided for. The capitalization of Pure Food Stores remains conservative at 11,500 shares of no par value. The records for three years:

	1926-27	1925-26	1924-25
Loblaw Groceries—			
Sales	\$10,517,093	\$7,717,459	\$6,125,192
Net profits	628,149	395,272	275,200
Earnings on common	802,381	567,185	413,566
Total surplus	821,381	464,868	321,529
Net working capital	174,234	144,000	72,000
Number of stores	53	40	39
Number of common shares	174,234	144,000	72,000
Dominion Stores—			
Sales	\$15,256,877	\$12,816,588	\$10,348,233
Net profits	412,245	291,849	187,209
Earnings on common	493,830	403,430	432,000
Total surplus	515,630	415,375	239,167
Net working capital	1,317,960	1,123,598	379,835
Number of stores	42	38	35
No. of shares	75,500	60,000	50,000
Pure Food Stores—			
Sales	\$1,600,000	\$1,388,291	\$1,147,484
Net profits	70,623	58,668	40,847
Earnings on common	4,013	4,003	4,003
Total surplus	39,413	12,394	3,437
Net working capital	178,587	156,621	156,621
Number of stores	53	38	35
Number of common shares	11,500	11,500	11,500

BUMPER CROPS STILL IN PROSPECT ON THE PRAIRIES

(Continued from Page 1.)
the discovery of rust in North Dakota. However, conditions have not been conducive to the incubation of this fungus-like growth, and the west fervently hopes that the excellent outlook will not be marred by any developments of this kind. The real danger period, however, has not yet arrived. To-day the grain all over the west is beginning to head out, although most of it is still in the boot blade stage. So far as the wheat is concerned the chief adverse report is that the stems lack vitality owing to the too rapid growth, the abundance of rain and the rather too warm nights. It is a situation which will probably be readily corrected, but if it prevailed it would result in a reduction of the quality of grain.

No Four Districts.
Usually at this time of year the crop map presents a varied appearance with good and bad areas clearly discernible. To-day, however, there are no areas where the prospects are not good, and many sections report conditions were never better. With the exception of Lloydminster, Alta., which seems to have been out of the path of the recent rains, there are no dry territories. On the other hand, it was observable that in the last Manitoba Free Press crop summary 18 points in Manitoba report too much rain. The meteorological reports have shown that rains have been pretty general over the whole province of Alberta. The dryness which was apparent from reports in central Saskatchewan regions appears to have been corrected by the recent showers.

Excessive Rainfall.
According to a survey made by the federal government the rainfall thus far has been far in excess of last year and much above the average for the past ten years. For the three months ending July 6 Foremost, Alta. was the most liberally treated of any part of the west, 13 1/2 inches of rain having been recorded there. Southern Manitoba points, such as Pierson, Morden, Emerson, and Brandon came in for unusually heavy rains, in most cases 100 per cent. above the average of the past ten years. The reports show that the usually dry areas of Alberta were drenched.

Throughout the whole of the west the coarse grains are reported to be coming along well, although the crop is late. A good yield of rye is also practically assured. The hay crop in the west which has a vital bearing on the production of livestock is one of the largest ever known. Much has already been cut, and there is assurance now that the fodder crop as a whole will be an immense one. The livestock which went on the grass pretty thin this spring as a result of the scarcity of fodder toward the latter end of the winter are now reported to be in first class shape. Despite the unusually fine prospects over the Canadian west it is observable that wheat and grain prices generally are holding up. Quotations for wheat are running about ten cents in advance of last year and bulletins on world crop outlooks which appear to indicate

the farmers are assured of a good return this fall. It is rather too much to hope that the present favorable conditions will continue unimpaired until harvest however, consequently the crop prospects will be watched anxiously during the next six or eight weeks.

Obscure Offer to Holders of Brooks

The following letter has been sent out to shareholders of Brooks Steam Motors, Ltd., by Brooks Securities, Limited:
"O. J. Brooks, your president, has made it possible for us to offer to exchange a limited number of preferred shares, par value \$10, and common shares of no par value, of Brooks Steam Motors, Inc., of Buffalo, N.Y., for a like number of preferred shares, par value \$10, and common shares of no par value, of Brooks Steam Motors, Limited (Canada).
If you wish to take advantage of this offer you must insert your address, date, number of shares and signature, and return the enclosed exchange slip to this office within five days from receipt of this letter. As the amount of shares we are authorized to exchange on the above basis is limited, answers will be dealt with in the order received."
There are two separate points in this communication which raise serious questions in the minds of shareholders. First of all, the statement that only a limited number of shares in the new company are available for exchange gives no indication of what proportion of shareholders will be enabled to accept the exchange if they so desire.
At the same time, in view of the fact that all the assets of the Canadian company are being turned over to the new Buffalo corporation, there is the question as to what value, if any, will be left behind the shares which cannot be exchanged.

Continued Expansion For Ontario Tobacco

Toronto Bureau The Financial Times
Toronto. — Reliable estimates are made that the Ontario tobacco crop this year will be worth approximately \$10,000,000, as compared with about \$7,000,000 last year. The harvest is expected to aggregate 48,000,000 pounds. It is noteworthy that the benefits of 80% of the money involved in this crop will go to the counties of Essex and Kent, where most of the plantations are located. The rapid development of this industry in southwestern Ontario, the excellent quality of the tobacco grown, and the favorable market in Great Britain, made available by a liberal preferential tariff; the ideal nature of the soil; have combined to attract a good deal of attention. In a recent editorial, entitled "Kentucky Moves to Canada," the New York Sun refers to the exodus to southwestern Ontario of tobacco farmers from that state. This summer a motor tour of 300 prospective tobacco growers will leave Indianapolis, and under the guidance of an official of the Canadian Colonization Department, will tour southern Ontario. They will see what can be done with tobacco under Ontario conditions, and it is expected that many will come into the province as permanent settlers. These men will bring capital with them.

GAINS AND LOSSES WELL DISTRIBUTED OVER DULL MARKET

Common Stock Average Recedes From Preceding Week's Close

NEWSPRINTS STRONG

Power Stocks Generally Soft—Bridge and Smelters Off Sharply—Sherwin and Ogilvie Have Best Gains

The inactive and dull markets of the past week revealed no definite trend; losses and gains being about equally divided over a comparatively narrow list. Financial Times average of 15 active common stocks closed the 6 day period down half a point from the closing figure for the previous week of 130.8, but on account of the fact that prices were generally more stable, the average for the week was higher at 130.4 as against 129.6.

Sherwin Williams, up 7 points; Ogilvie, up 6 1/2 points, and Brompton up 4 1/2, scored the chief advances, while Quebec Power down 10, Smelters down 7, and Bridge down 7 1/2, showed the widest recessions.

Other issues to advance a point or more during the week were B. C. Fishing common up 3 1/2, and the preferred up 3 1/4, Laurintie and Dominion Textile, each up 3; Waygamaack up 2; Spanish preferred up 1 1/2; Abitibi up 1 1/4; and Alberta Pacific, Bell Telephone, Steamships, common and preferred, Southern Canada, Spanish common, and Winnipeg Electric preferred, each up 1. Losses of a point or over comprised Shawinigan down 4; Brazilian down 2 1/2; MacKay preferred down 2 1/4; Can. General Electric preferred and Cuban Canadian Sugar preferred, each down 2; Penman's, Power and Besco preferred down 1 1/2 each; and Cotton's preferred and MacKay common, each down 1.

Trend of Averages.

The following figures present the averages for the week and other comparative figures:
Thursday, July 7..... 130.6
Friday, July 8..... 130.4
Saturday, July 9..... 130.3
Monday, July 11..... 130.2
Tuesday, July 12..... 130.7
Wednesday, July 13..... 130.3
Average for week..... 130.4
Previous week..... 129.6
January average..... 121.4
March average..... 125.6
April average..... 125.1
May average..... 130.6
June average..... 131.9
High (1927) Jan. 13..... 133.9
Low (1927) Jan. 28..... 120.6

Averages Last Year.

January average..... 100.0
February average..... 102.7
March average..... 101.2
April average..... 100.1
May average..... 98.1
June average..... 100.2
July average..... 101.8
August average..... 106.2
September average..... 113.8
October average..... 113.6
November average..... 117.7
December average..... 120.1
High, 1926..... 121.3
Low, 1926..... 97.3

WAR PENSIONS COSTS.

Britain and Dominion Have Highest Per Capita Charges.
London.—During the course of the debate in the House of Commons on the ministry of pensions' estimates a comparative table of expenditure on pensions was quoted showing that Great Britain and the Dominions expended \$66,000,000 during 1925 and 1926, being an annual per capita charge of 27 shillings.
France spent \$37,750,000, an annual per capita charge of 18 shillings and six pence; Germany £60,000,000, a per capita charge of 19 shillings and two pence; and the United States £46,000,000, a per capita charge of 8 shillings and three pence.

Foreign Exchange.

Supplied by Jenks, Gwynne & Co.	Rate
Sterling	84 1/2
Belgium	138 1/2
Holland	404 1/2
France	228 1/2
Germany	237 1/2
Italy	171 1/2
Spain	171 1/2
Switzerland	192 1/2
Sweden	267 1/2

In This Issue

- Canada is Not Lagging Behind in Civil Aviation..... 2
- Dullness of the Summer Season Hits Stock Market..... 3
- Cornwall the Uncrowned King of the Mackenzie..... 8
- Good Prospects For Success For Quebec Properties..... 10
- Depression in Silver Market Not Permanent..... 11
- "Put Your Money Bank" Is Not Complete Advice..... 12
- Real Communism Represented by Life Insurance..... 12
- Report on Oil in Turner Valley is Favorable..... 13
- Eastern Canada Knows Little of Mines on Coast..... 13
- To Go Ahead with Research Laboratories at Ottawa..... 14
- New Trade with Cuba, the West Indies and Java..... 14

Advertisers' Index.

Admiral Beatty	11	Janmala, E. Serv	11
Hotel	5	Kosley Silver	11
Ankerite	10	Lamontagne, Ltd.	7
Alberta P. and P.	7	Lake Shore	7
B. C. Fishing	4-16	Leblond Groceries	1
Biggus Mine	10	Manitoba Pulp	7
B. E. Steel	14	Marriott Mines	10
Brompton Pulp	16	McCull Brook	7
Brazilian Trac.	9-13	Montreal Power	9
Brooks Steam Mot.	16	Massey Harris	10
Cent. Mts. Mines	10	Nat. Breweries	4
Corona Mines	10	Nat. Power	4
Cosmos Mills	10	Noranda Mines	9
Cent. Mts. Mines	10	Pure Food Stores	11
Duluth Superior	2	Quebec Gold	11
Duprat Mines	10	Quebec River	2
Dodge Brothers	4	Smelters	7
Dominion Stores	14	Spanish River	9
Dom. Radiator	4	Sawyer Massey	5
Fraser Companies	7	Superior Pte	4
Flu. Flu. Mine	13	Twin City	2
Granby Consol.	11	Tough Oakes	10
Havre Mines	10	Vipond Consol.	9
Inter. Nickel	14	Walsh Katrine	11
Internat. Paper	7	Zimmerkint, Ltd.	3
Inter. Pte.	12		
Industrial Leasing	12		
Jantzen Knit Mills	3		

Heard in the BOARD ROOM

SEVERAL factors have combined to bring about the dullness which was evident in the Canadian markets during the past week, chief among which are the arrival of the dog days, the discouraging experience which the public suffered in the recent violent shake-out, and the uncertain trend which has been pursued by Wall Street.

That public participation is at a minimum at the moment is amply indicated by the sharp falling off in turnover on the exchanges, and it appears likely that, with the possible exception of a few favored issues, the market will be allowed to drift for a period. While the sharp reaction of a few weeks ago improved substantially, the technical position, the subsequent smart snap-back again placed several issues at levels which a section of the Street considered still uninviting.

The market as a whole, however, is not without its bullish influences, substantial earnings gains among many of the bigger industrials, giving promise of constructive action of some sort in the near future, supplying ample grounds for further strong buying when conditions are more auspicious.

Business conditions continue favorable and the official estimate of the wheat crop, proverbially conservative, which was made public this week, indicates a crop only slightly lower than last season's, this despite a decidedly ominous send-off for the season.

B. C. Fishing & Packing.
New common shares of British Columbia Fishing and Packing Company are selling at 18. As directors have declared four dividends for 1927, payable 3 1/4 cents quarterly, or 14 cents for the year, the yield at the current price is 6.94%. The company is starting on the new season's catch, with larger production facilities and provided the catch is of normal size should do better in 1927 than in 1926. The visit of officials to Europe late last year resulted in new connections on the Continent which should increase export sales materially.

Net profits of B. C. Fishing last year amounted to \$345,261, after depreciation and taxes, as compared with \$251,298 in 1925 and \$128,536 in 1924. The 1926 profits were exclusive of earnings of Wallace Fisheries, which amounted to \$154,033 and which made combined profits \$499,294. As B. C. Fishing Co. owns about 90% of Wallace Fisheries stock, its earnings added to the equity behind B. C. Fishing shares, although no dividends were paid by Wallace Fisheries in 1926.

Brazilian Traction.

Brazilian slipped off during the current week on the strength of a growing conviction that the split-up in the stock, which has been confidently looked for in some quarters for a month, would not be forthcoming at this time. It is indicated, however, that if nothing of a constructive nature develops just yet, it will only be a case of postponing the occasion and in view of the favorable operating conditions which the company is enjoying, the delay will give the market an opportunity to give the situation further thought during the balance of this year.

Earnings records to date plainly indicate that when the history of this year is written, a very satisfactory improvement over 1926 will be revealed. Net for the first 5 months has fallen but little behind that for the same period of last year, this despite the wide difference in military levels, so that with the currency now pegged around the same level as prevailed for the bulk of the second half of last year, the balance of the current period should show steady gains.

Brompton Comes to Life.

Brompton came in for good demand this week, and as a result record levels for the current year were recorded by the stock. This issue has proven a disappointment to many who have retained faith in it for the past 2 years, but it appears as if its patient boosters are at last in line for some compensation for their long wait. The recent sharp advance on a comparatively narrow market would indicate that steady accumulation has placed the security in a good position to take advantage of any favorable development.

Credit Remains Free.

The effect of the change shown in the chartered banks statement for May was to reduce slightly the ratio of strictly liquid assets to total liabilities and the ratio of total deposits to loans and investments in Canada, Greenshields & Company say in their current market letter. These ratios, however, are still at a relatively high level and the statement indicates that the banks are still under no pressure to meet the requirements of increasing business activity throughout the country. This is a factor of some importance in relation to the expansion in call loans in Canada.

Although this expansion has to be directly associated with the great activity that prevailed on the Stock Exchange during May, it is clear that credit continued freely available because of funds at the disposal of the banks and that the expansion in credit supplies for the securities market was not at the expense of commercial business. The reaction of June has probably brought call loans substantially below the level at the end of May and further adjustment is likely this month as a result of the quieter conditions prevailing on the Stock Exchange.

DUNNING LEAVES FOR HOME.

Ottawa. — Hon. C. A. Dunning, Minister of Railways and Canals, accompanied by his family, left tonight for Melville, Sask. to spend some time at his home.

ESTIMATED THAT MASSEY HARRIS WILL EARN \$4

Expectation of Stock Being Placed on \$2 a Share Basis

HEAVY SALES VOLUME

Many Favorable Influences Indicate Substantial Enhancement in Shares Over a Period — Strong Balance Sheet.

Toronto Bureau The Financial Times.
Toronto. — It is estimated that Massey-Harris Company will earn \$4.00 per share during the year which closes November 30th next. The expectation that the stock will be placed on a dividend basis of \$2.00 per annum this year is therefore regarded as reasonable.

The company sells goods in 53 countries, in most of which buying-power has increased substantially during the past 12 months. It is making big inroads in all leading markets with its famous reaper-thresher and tractor.

Sales this year to date in western United States, Argentine and Australia have been on an enormous scale, while domestic business has exceeded previous years. Its products have so favorable a reputation in the western States that they are preferred.

Broader Market.

With respect to countries outside Canada and the United States, sales are on a relatively prompt payment basis, settlements being made through agencies in large lots of goods, running up into large figures. Sales are made in Canada, 25% down and payments over a shorter period than existed formerly. This maintains a strong liquid position. The plants in the United States and France, relieve Canadian plants to a marked extent of manufacture for shipment to these countries, and has added materially to combined capacity and earning-power. When plans to develop an assembly plant in Australia become effective, total capacity will be further increased.

The market for Massey-Harris stock has broadened greatly during the past two years. Just as the operations of the company are international in scope, so an international market has developed. A large volume of the common stock found its way to the United States. Leading Montreal interests took the stock in a big way, not only for absorption in eastern Ontario, but in England, where in excess of 100,000 shares are stated to have been placed.

Many Bullish Factors.

The stock has been securely placed in these markets. The bulk of these purchases, which have been extensive, are said to be for a long hold, on well advised opinion that much greater things may be expected of the shares in the future. The floating supply of stock is relatively small. It is noteworthy that some leading houses are advising the purchase of the stock at current levels, not for a quick turn, but as an investment, which they believe "will show substantial returns in appreciation of value and in dividends over a period of time".

Forecasts are made that Massey-Harris shares will advance to 50 at an early date, while 100 is mentioned after a wait of one year. To substantiate such statements, the arguments are put forth that seldom has a Canadian stock been better sponsored or more securely placed; that earning-power is increasing; that world-wide markets tend to stabilize this earning-power; that the liquid and tangible assets behind the stock are exceptionally high; tangible assets as per balance sheet amount to about \$33 per share against a current price of \$36, that the appraisal value is more than double the book value, and that the company is one of the two greatest organizations of its kind in the world.

NEWSPRINT GROUP AGAIN IN FAVOR

(Continued from Page 1)
The two latter closed their fiscal year at the end of last month and the annual reports are due for publication within a month or so. In the light of the reduction in operating capacity, it is doubtful whether either of the companies will show the full dividend earned on the common stocks, but it seems hardly likely that payments on the usual basis will leave any considerable deficit. Under the circumstances, therefore, with the more than comfortable balance sheet position exhibited by each of the 2 companies, any nervousness as to continued return seems unwarranted. On its last balance sheet Spanish showed profit and loss surplus amounting to over \$7,000,000—this apart from \$1,700,000 in general reserve—which represents well over 10 years dividends on the common stock, while Laurentide, showing a considerably lower surplus position has yet sufficient in profit and loss account to meet almost 18 months dividends, besides having a valuable asset and source of extra earnings on its interest in Laurentide Power.

It is now fully recognized that over-production will remain a factor in the newsprint industry for the next year or two, but there is a distinct feeling in some quarters that, in view of the same manner in which Canadian mills have handled the situation, any further cut in prices seems unlikely. In addition, it seems evident that the mills here will benefit at the expense of American producers, many of whom are much less favorably situated, both in the matter of operating economies and in proximity to pulpwood reserves. Thus, while there are no grounds for bullish enthusiasm in the papers, it seems apparent that there has been some degree of over-pessimism on the situation in recent markets, and the buying which developed in the group this week doubtless reflects a growing appreciation of this fact.

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